NATIONAL MUNICIPAL REVIEW

PUBLISHED BY THE

National Municipal League

COPYRIGHT, JUNE, 1931

VOL. XX, NO. 6 JUNE, 1931 TOTAL NO. 180

CONTENTS

EDITORIAL COMMENT ..... *H. W. Dodds* 315
HEADLINES ..... *Howard P. Jones* .. 319
JUBILEE IN CHICAGO ..... *Carroll H. Wooddy*. 321
SOME NOTABLE STATE BUDGET DOCUMENTS OF 1931 .. *A. E. Buck* 325
NORTH CAROLINA'S NEW PLAN FOR CONTROLLING LOCAL FISCAL AFFAIRS ..... *Chester B. Masslich* 328
THE POLITICAL SABOTAGE OF THE CLEVELAND MUNICIPAL LIGHT PLANT ..... *R. Husselman* 334
WASHINGTON'S PUBLIC OWNERSHIP DISTRICT POWER LAW ..... *James K. Hall* 342
THE BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931 ..... *C. E. Rightor* 349

DEPARTMENTS

I. Recent Books Reviewed 362
II. Judicial Decisions ..... *Edited by C. W. Tooke* 368
III. Public Utilities ..... *Edited by John Bauer* 372
IV. Municipal Activities Abroad ..... *Edited by Rowland A. Egger* 376
V. Governmental Research Association Notes ..... *Edited by Russell Forbes* 379
VI. Notes and Events ..... *Edited by H. W. Dodds* 383

The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *International Index to Periodicals* and in *Public Affairs Information Service*

GRIFFENHAGEN & ASSOCIATES, LTD.

Consultants since 1911

An organization of specialists in public administration and finance; department organization, operation, and personnel; taxation and revenue; accounting, budget-making, and expenditure programs.

Offer technical services in programs of improvement and economy

Offices: **Chicago, New York, Hartford, Washington, Los Angeles**
Write to: **LaSalle-Wacker Building, Chicago**

THE LEAGUE'S BUSINESS

Thirty-seventh Annual Meeting.—The tentative program for our thirty-seventh annual meeting has been formulated by the program committee headed by Harry H. Freeman, director of the Buffalo Municipal Research Bureau. The meeting will be held at the Hotel Statler, Buffalo, on November 9, 10 and 11 and will be a joint meeting of the National Municipal League, Governmental Research Association, National Association of Civil Secretaries, Proportional Representation League, and possibly of the American Legislators' Association. As in previous years, the meeting will be known as the National Conference on Government.

The tentative program will be distributed in the early autumn. In the meantime, make your plans now to attend the Buffalo convention.

*

League Represented at Senate Committee Hearing.—Albert S. Bard, vice-president of the Honest Ballot Association and a leader of the Citizens' Union of New York, represented the National Municipal League at a recent hearing of the Select Committee on Senatorial Campaign Expenditures in Washington, D. C. Senator Gerald P. Nye, chairman of this committee, has spoken in most favorable terms of the services rendered by Mr. Bard as our representative.

*

Judges for the Annual Baldwin Prize Contest.—The following have consented to serve as judges of this year's Baldwin prize contest: Professor Jack Salter, University of Wisconsin; Clarence G. Shenton, Philadelphia Bureau of Municipal Research; and George D. Carrington, attorney at law, New York City. As we go to press a total of fifteen essays have been received in competition. Announcement of the award will be made on this page in a later issue.

*

Committee on County Government.—As previously announced on this page, the National Municipal League is creating new work committees on: Model Corrupt Practices Law; Developments in Municipal Home Rule; Model Special Assessments Law; Selection of Judiciary; and County Government. The committee on county government has already been appointed, with the following personnel:

John A. Fairlie, University of Illinois, *chairman;* Frank Bane, Commissioner of Public Welfare, State of Virginia; Arthur W. Bromage, University of Michigan; Edwin A. Cottrell, Leland Stanford University; James W. Errant, University of Oklahoma; Mrs. Walter S. Greenough, Indianapolis; Luther Gulick, National Institute of Public Administration; A. R. Hatton, Northwestern University; Howard P. Jones, National Municipal League; Wylie Kilpatrick, New Jersey State League of Municipalities; Walter F. Kirk, master, Ohio State Grange; Theodore B. Manny, U. S. Department of Agriculture; Kirk H. Porter, University of Iowa; Hugh Reid, attorney at law, Washington, D. C.; C. E. Rightor, Detroit Bureau of Governmental Research; C. P. Taft, 2nd, Cincinnati; Robert H. Tucker, *chairman,* Commission on County Government, Washington and Lee University, Lexington, Virginia; Paul W. Wager, University of North Carolina.

The committee will await the return of Professor Fairlie, its chairman, from his trip to Europe before formulating its program and undertaking its work.

RUSSELL FORBES, *Secretary.*

NATIONAL MUNICIPAL REVIEW

VOL. XX, No. 6 JUNE, 1931 TOTAL No. 180

EDITORIAL COMMENT

One of the first official acts of the new Dallas city manager government was to select John N. Edy of Flint, Michigan, as manager. This appointment marks the culmination of the long effort to secure the manager plan for Dallas. At the election on April 7 the complete ticket of the Citizens' Charter Association (the city manager group) was elected to council. In such a council and such a manager Dallas may properly take pride.

*

The city commission of Jacksonville, Florida, will no longer entertain at public expense the Imperial Council of the Ancient Arabic Shrine, the Order of Railway Conductors of America, the Benevolent and Protective Order of Elks and similar bodies. The state Supreme Court has ruled that entertainment expenses paid from proceeds of an advertising tax are an improper use of public funds since such a tax is not for a municipal purpose within the meaning of Florida law.

*

William P. Lovett, secretary of the Detroit Citizens' League, writes us to protest that the brief note in the April REVIEW referring to the League's disappointment at the record of Mayor Murphy, successor to Mayor Bowles, recalled, no longer expresses the attitude of the Citizens' League. Mr. Lovett points out that while the League did make criticism of the first three months of Mayor Murphy's term, the mayor has since initiated radical and commendable changes in program and policy. His administration has recently been distinguished by some excellent appointments to his cabinet. After six months in office, it now appears evident that Mayor Murphy has endeavored to strike a happy medium between administration and politics such as the present strong-mayor charter of Detroit seems to demand in the mayor's office.

*

Mayor Cermak's Possibilities

Mr. Wooddy's lively description in this issue of the defeat of Thompson in Chicago is prefaced by a news item that May 10 opened Jubilee Week in the Windy City. The city joined in a "little world's fair" to announce that Chicago citizens are possessed of a new optimism; that "the city is now a safe place to visit—and buy goods in."

As everyone knows, Cermak, a Democrat, was elected with the support of Republicans and Independents. Whatever the future may reveal, his career as head of the Cook County Board evidenced an understanding of the principles of public administration. Naturally he is a politician and the extent to which these principles will be applied in the city government remains to be seen; but the people who voted for him are hopeful that a new

day has come in Chicago civic affairs.

We are indebted to Louis Brownlow for a copy of Mayor Cermak's inaugural address. The Mayor's recommendations call for a consolidation of the present 32 separate administrative departments; revised specifications for municipal contracts and improved central purchasing; complete reclassification of the civil service with restrictions upon temporary appointees; installation of modern labor-saving devices in office work; and simplified reporting of municipal activities and finances.

Another hopeful sign is the engagement of J. L. Jacobs, well known to readers of the REVIEW, as efficiency expert to the city government. For a number of years Mr. Jacobs served in the same capacity to the county board and was instrumental in introducing material economies. Fully recognizing the political handicaps under which the new mayor will work, we, nevertheless, predict a distinct improvement in Chicago government.

*

New York City Moves Toward Transit Unification

Governor Roosevelt has approved two bills passed by the New York legislature relating to transit in New York City.

One embodies the so-called unification measure, under which the proposal of Samuel Untermyer, special counsel to the transit commission,—or a modification thereof—may be put into effect. This law declares that an emergency exists with respect to transit in New York City, and gives broad powers to the transit commission to prepare a plan, or plans, designed first, to bring about a combination, improvement and extension of railroads by purchase, lease, recapture, or otherwise; second, to make it possible for the city to receive net revenues sufficient to pay the service charges on its investment in transit; and, third, to assure operation at the present or lowest possible fare consistent with good service.

Under the bill the commission *must consider*, and *may* provide, a board of transit control to consist of 19 members, of whom not less than ten nor more than thirteen shall be appointed by the mayor; not less than three nor more than six to be appointed by the commission; and not less than three nor more than six to be appointed by the mayor upon the nomination of the railroad companies included in the plan.

The bill specifically empowers the transit commission to reorganize transit facilities in the city of New York in one or more units, combining whatever facilities they deem feasible, including street surface railways or other modes of transportation. The only prescription is that whatever plans are undertaken must satisfy the three objectives enumerated in the bill. These powers, however, are permissive only, and no plan can be put into effect without the approval of the local authorities, *i.e.*, the board of estimate and apportionment of New York City.

Toward the end of 1930 Mr. Untermyer submitted a report to the commission in which he proposed tentative figures at which the properties operated by the Interborough Rapid Transit Company and the Brooklyn-Manhattan Transit Corporation should be included in the plan. An analysis of these figures was given in the Public Utilities department in the February REVIEW. No doubt, valuation presents the most difficult problem in connection with any unification plan. Negotiations are still in progress, but it is expected that public hearings by the transit commission will begin in the near future.

The second bill passed by the legislature, known as the Thayer amendment,

specifically empowers the board of transportation to enter into a contract with any company for the equipment and operation of the new city subways now under construction. There are differences of opinion as to whether this law really introduces a new possibility into the situation. Some are inclined to believe that such a contract, if desired by the city, would have been valid under existing legislation. On the other hand, Chairman Delaney of the board of transportation is reported to have asked for this specific measure—presumably because he thought that it conferred new powers upon the board of transportation.

In any case, the city now has a choice of one of three measures. It may unify all or any transit facilities in operation at the present time, and add new lines as completed—all under a newly created board of transit control. Or it may recapture one of the two Interborough subway lines and all of the B. M. T. subway lines, and unite them with the newly constructed subway lines, leaving the older properties, the elevated lines and one of the old subway lines in the hands of the private companies. Or, finally, it may leave all operating rapid transit lines with the present lessees, retaining the new lines for operation under lease with one of the existing transit companies, or with another company.

We may expect that the public hearings before the transit commission will be instrumental in elucidating the comparative merits of the possible alternatives.

J. B.

*

Extraordinary Personnel of New York Power Authority

Governor Roosevelt's announcement of the members of the state power authority to carry into force the recently enacted power law gives ample assurance that the interest of the public will be protected and the purpose of the law conscientiously fulfilled. Frank P. Walsh is chairman and Professor James C. Bonbright is secretary. Other members are: Morris L. Cooke, Delos M. Cosgrove and Fred Freestone. In naming Mr. Cooke, Governor Roosevelt broke a time-encrusted American tradition. Mr. Cooke is a Pennsylvanian who for many years has been distinguished as an ardent and able advocate of the public's interest in utilities and has been actively identified with Governor Pinchot's utility program in his native state. Messrs. Walsh and Bonbright were two members of the minority of the Revision Commission which in 1930 reported in favor of the Bauer plan of a fixed rate base. Mr. Freestone is head of the New York State Grange.

The functions of the power authority are fourfold. It must effect an agreement between New York and Ontario regarding actual utilization of power resources. It must take the leadership in an agreement between the governments of the United States and of Canada regarding the international use of the St. Lawrence. It must complete arrangements between the state of New York and existing power companies regarding distribution of power. Finally, it must effect plans and let contracts for the construction of generating plants and such transmission lines as may be built by the state.

The responsibilities confronting the power authority are enormous and Governor Roosevelt is to be congratulated upon the selection of such capable and trustworthy officials.

*

North Carolina Strengthens State Control over Local Finance

Readers interested in public finance will welcome Mr. Masslich's article in this issue on the new North Carolina Local Government Act. For several years

Mr. Masslich has been guide, counsel and friend to North Carolina, and is largely responsible for the form of the progressive fiscal legislation which has characterized this state in recent years.

The new act sets up a stringent control over local government debt practices. On the whole, it goes farther than any similar legislation in the United States and if successful in practice will undoubtedly prove a trail-blazer for other states.

While representing in a sense a normal evolution from preëxisting legislation, it is doubtful that such a radical step would have been taken had it not been for the financial difficulties in which North Carolina finds herself. In common with Tennessee and Kentucky, she has experienced an epidemic of bank failures, some of which involved large deposits of city and county funds now known to have been insufficiently secured. There has also been a disquieting number of defaults on local government debt service. While these defaults are doubtless temporary they have naturally stimulated a desire to put North Carolina's financial house in order.

The sweeping provisions of the new act are clearly described by Mr. Masslich. They include the creation of a local government commission with extraordinarily broad powers. The office of director of local government is established. The director acts as secretary to the commission but possesses many independent functions.

No bond or note of a local unit is valid unless it bears the certificate of the director of local government that its issuance has been approved by the commission or that the approval of the commission is not required by law. In granting or withholding such a certificate the commission shall consider the necessity of the proposed improvement, the amount of present debt, the past financial record of the local unit, the effect of the proposed debt on the tax rate, the adequacy of the amount of the issue for the purposes intended and the economic soundness of proposed revenue producing enterprises. Municipal and county bonds will hereafter be sold by the local government commission at Raleigh and the procedure of sale is carefully safeguarded.

A most novel feature of the act is the provision for an administrator of finance to have charge of tax collections, and custody and disbursement of funds of local units in default in debt payment. In such circumstances the local administrator of finance, appointed by the director of local government, becomes virtually a municipal receiver. In general the purpose in mind is similar to that which moved the New Jersey legislature to pass the Reeves Act this spring by which municipalities in default on bonds or notes for sixty days may be thrown into receivership upon order of a justice of the state supreme court. At this stage the state municipal finance commission, and their appointed agent, the auditor of accounts, virtually take charge.[1]

Mr. Masslich reports that investment dealers believe that North Carolina municipals have already benefited from this legislation. He wisely points out, however, that its real value can be tested only by time and that its success will depend largely upon its administration. Six of the nine members of the new commission are appointed by the governor. It is generally agreed that the governor's appointments have been good and that the personnel of the commission inspires confidence in its success.

[1] For outline of the Reeves Act, see NATIONAL MUNICIPAL REVIEW, May, 1931, p. 312.

HEADLINES

St. Louis County, Minnesota, wouldn't follow the crowd. No, sir! When most counties were talking consolidation, St. Louis County was talking secession. A bill to split up the county narrowly missed passing the legislature.

* * *

"Death in committee at the end of the session" was the fate reserved for Senator Rexroat's county manager bill in Oklahoma. Whoops of glee at the bill's passage in the senate soon subsided at the cold shoulder turned by the house.

* * *

A proposed constitutional amendment before the Pennsylvania legislature would give that body the authority to merge the city and county of Philadelphia into a single municipal corporation.

* * *

Chief of Police Caesar J. Scavarda has been appointed acting city manager of Flint, Michigan, at a probable salary less than half that of the former manager.

* * *

Governor Henry S. Caulfield of Missouri has signed a bill providing a graduate tax of from one to four per cent on individual incomes. A similar bill has also been approved by Governor C. Ben Ross of Idaho.

* * *

Home rule legislation in New York state backed by the reformers failed and bills opposed by them passed! Governor Roosevelt came gallantly to the rescue, however, and saved the day by vetoing a bill repealing the 1914 optional city government law.

* * *

On the premise that firemen are the only federal, state, and municipal employees who work more than eight hours per day, a movement has been launched in New York City in behalf of the eight-hour-day for firemen.

* * *

A "dangerous" book was found by Dana Sleeth on the shelves of the Portland, Oregon, police station, where it had lain since seized in a Socialist raid during the war. Its title was "A Municipal Program: Being a Report of the National Municipal League for Good Government."

* * *

R. W. Kabrick of Clear Lake, Iowa, is kicking himself for taking pains. The first sheet of the petition seeking a city manager referendum was dirty, so he copied the names on a clean sheet. Since all the names were not original signatures, the petition was rejected!

"Plan to sit with your representative at his desk throughout the day until such time as the above I. B. A. bills have been acted upon by the House," reads No. 3 in the long list of instructions from the Iowa Bankers Association to its lobbying representatives. Lobbying with a vengeance by the "respectables"!

* * *

A committee on reduction of expenditures has been appointed by the Iowa legislature to make a study of state, county, township, city and town government and recommend changes that will result in increased efficiency.

* * *

Pre-primary conventions are being urged by Senator Robert A. Taft of Ohio as a solution to the evils of the present primary system and to regain some measure of responsibility for nominations.

* * *

The state of Michigan henceforth will shell out for part of the cost of widening trunk line highways within city limits by the terms of a bill recently passed by the legislature. Cities also may now issue bonds for such widenings without effecting the legal bonding limits.

* * *

Less than half of Chicago real estate owners paid 1929 taxes, latest figures reveal. When government by deficit will end, no one seems to know.

* * *

A municipal home rule amendment to the constitution of Utah will be voted upon by the electorate as a result of a joint resolution passed by the legislature.

* * *

Sixty days after their pay stopped, North Carolina legislators were still at it. The apparent impossibility of the legislature's reaching a decision on the vital matters before it leads the Greensboro *Daily News* to urge a small single-chamber legislature.

* * *

Nothing like drawing your salary in advance and then being fired! This was the achievement of a few members of the Thompson régime in Chicago who left "I. O. U.'s" in the city cash box for the incoming treasurer to worry about.

* * *

The optional city government law of 1914 applies to Binghamton, New York, regardless of the "repealer" passed by the city council, Supreme Court Justice E. W. Personius decided in granting a writ of mandamus compelling the city to hold a referendum on the city manager plan.

HOWARD P. JONES.

JUBILEE IN CHICAGO

BY CARROLL HILL WOODDY
The University of Chicago

News item: The week of May 10 was celebrated as Jubilee Week in Chicago. :: :: :: :: :: :: :: :: :: ::

CHICAGO is celebrating Jubilee Week! Politicians and merchants, labor leaders and employers are joining in a "little world's fair" to tell all and sundry that Chicago is a safe place to visit—and buy goods in. A new optimism has arisen to breathe reality into the historic slogan, "I Will!" And why not? Thompsonism is dead. A Master Executive sits in the City Hall, determined to bring order from chaos, solvency from bankruptcy, efficiency from neglect.

Chicago is getting a "good press," these days, and only a dour sort of fellow could refuse to join the chorus of joy. Even the "impartial observer" cannot fail to record the tremendous release of spirit which has accompanied the passing of Thompsonism. Bring the future what it may, an incubus has been lifted; the avenues of hope have been opened.

All this came from unpromising beginnings. The early stages of the mayoral primary were marked by the customary failure of "civic groups" to function effectively. Several well-organized groups of respectables, following a precedent established in 1923, attempted to draw up lists of "acceptable candidates" from which the party organizations might choose. The Democratic machine, now united under the leadership of Anton J. Cermak, president of the county board and undisputed successor to "Boss" Brennan, was too strong to look for suggestions to such sources. Republicans, on the other hand, were too badly divided to respond to such appeals.

PRE-PRIMARY MANEUVERING

It became clear before the turn of the year that Thompson, encouraged by the state supreme court's reversal of the "expert fees" decision—estimated to have saved him a repayment to the city of over a million dollars—had definitely decided to seek a fourth term, despite an attack of appendicitis which had brought him to the point of death. The mayor's bolt to Lewis in November had alienated the official party leaders, and if these could be brought behind a single candidate the City Hall might be beaten, otherwise the prospect seemed dubious.

Much maneuvering now followed. Representatives of the Republican factions—Snow, Harding, Brundage, Barrett, Lundin, Emmerson and Deneen—conferred earnestly, but could not agree. Municipal Judge Lyle, who had been made a symbol of the anti-crime war by newspaper publicizing of his high bond fixing and spectacular attacks on "public enemies," short-circuited the proceedings by declaring his candidacy. The factional leaders, including Barrett—already a candidate—flocked to his support, all save Deneen, who entered his own man, Arthur F. Albert, young anti-Thompson gadfly in the city council. A multi-cornered Republican primary was assured. On the democratic side, Cermak demonstrated at once his

ambition and his adroitness by sidetracking a long list of democratic "availables" and securing united party support for his own nomination.

The tone of the Republican primary boded no good for the city. *News* and *Tribune*, their hostility heightened by the Lingle incident, split the opposition. The former, joined by many independents who thought Lyle weak and incapable, urged Albert strongly. The latter seized upon Lyle's candidacy as the vehicle for a bitter, blasting assault on Thompson scarcely to be equalled in journalistic history. The mayor, seeing in Lyle, particularly, an easy target, turned the tables neatly on his foes.

"Little Artie" and the "crazy Judge" were the tools of the newspaper barons, he proclaimed. The halter-clad understudies of his rivals, seated on mule and jackass, paraded the streets and provided the star turn for a vaudeville show at the Cort Theatre. "This Thompsonism your enemies denounced," declared the mayor, "is the beautification of Chicago." A handsome rotogravure was circulated to drive home the point. The exchange of diatribes waxed more violent as the campaign progressed, but to no end, for Thompson could not be beaten at his own game. The result merely confirmed pre-primary forecasts. Thompson's plurality approached 70,000. Albert's quieter campaign brought him nearly a hundred thousand votes, scarcely more than a third of Thompson's poll, but, added to Lyle's, enough to have beaten the mayor by 30,000. A fourth candidacy, that of Otto L. Schmidt, Thompson's city controller, alleged to have been entered to draw German votes from Albert, attracted little attention. Cermak, with insignificant opposition, won a handsome complimentary vote—234,000—on the democratic side.

BUNDESEN STAYS OUT

"Divide and win" seemed the primary's lesson for the Thompson board of strategy. If, on the other hand, independent candidates could be prevented from entering the election race, Thompson might yet be beaten. The danger was a real one, for many civic groups looked askance at Cermak, and the popular coroner, Dr. Herman Bundesen, throttled out of the Democratic primary, was known to be feeling the public pulse. A "citizens' committee" flooded the mails with Bundesen pledge cards. A ticket headed by his name was filed, but was disavowed when it became known that its sponsors were former Thompson job-holders. Dr. Shailer Mathews, Professor Charles E. Merriam, joined by other independents, urged Bundesen to forego his ambitions for the present. The *Daily News*, his chief sponsor, concurred. The coroner, amid public plaudits, announced his withdrawal "for the good of Chicago." The election commission, in the exercise of its discretion, adjudged the petitions of all minor candidates, even the Socialist, as illegally filed. Thompson and Cermak alone were left on the mayoral ballot.

This turn of events rudely shattered the Thompsonian illusion of victory. No inflated Judge, no youthful alderman now confronted the booming mayor, but a serious and solid figure embodying the united strength of the Democracy. Nor could the Republican candidate count upon the united support of his own party. The wounds left by the primary struggle could not so easily be healed. Independents demonstrated an almost unanimous disposition to believe that Cermak, whatever his faults, was preferable to Thompson, and this view was concurred in by many loyal Republicans. Committees for Cermak—Independ-

ent, Business Men's, Republican Men's, Republican Women's—sprang into being and functioned widely and effectively. Factional leaders recently behind Lyle and Albert were secretly indifferent, their followers often openly hostile to Thompson, consoling themselves by the thought that one who had supported a Democrat for senator deserved a dose of the same medicine. *Tribune* and *News* found common cause at last; even Hearst, hero of Thompson's carnival of welcome the previous October, promised his opponent an "even break."

THOMPSONISMS

But the Thompson show-boat sailed on, equipped equally to amuse the mob and vilify the enemy. A jingle composed by a celebrating Thompsonite in the moment of primary victory set the keynote for the campaign: "Tony, Tony, Where's your pushcart at? Can you imagine a World's Fair Mayor, With a name like that?" "I won't take a back seat from that bohunk—Chairmock, Chermocka or whatever his name is." "Calls himself a 'Master Executive' . . . you Negroes know what a *master* is . . . who kicked all the Negro caddies off the golf courses?" "The Master clubbed the Irish . . . the Poles . . . off the ticket . . . first time in my life I ever saw the Irish lay down without a fight." "Vote for me . . . jobs for Poles . . . jobs for Negroes . . . jobs for the Irish . . . you can call the City Hall the Capitol of Poland . . ." "Waterways . . . 150,000 more jobs when the steamboat whistle blows from New Orleans." "I built the schools, the playgrounds, kept the water pure, reduced the price of the kiddies' milk . . . the Chicago skyline . . . that's *my* skyline." "Saving Tony . . . saved six millions out of a $10,000 salary . . . built the county jail without a boiler . . . grafts on coal and paving . . . Chicago *Tribune* called him a horse-thief, now they say elect a thief." "Tony, the Jew-hater, supported by Rosenwald, the faker-philanthropist, trying to hedge his way out of hell with his benefactions . . . Tony, the tool of the loop millionaires, reduced their taxes by his reassessment, in league with the International Bankers trying to get us into the League and send our boys to die in some European boundary dispute . . . Tony, the German hater, called the German-Americans Huns." "The *Tribune*, greatest curse Chicago ever had, sold out to King George to get 1,200 square miles of Canadian land . . . lies about me with dribbling idiot pictures . . . can you believe their type? Wrote my obituary when they thought I was dying—wouldn't they like to know how I got it?—called me an international figure, always on the front seat of the great American band-wagon (not the garbage wagon like Tony) . . . now look how they lie about me." The gradually hoarsening voice, saved by loud-speakers, goes on thus to the end!

CERMAK CONDUCTS A "DIGNIFIED" CAMPAIGN

Cermak, no orator, made little effort to compete with Thompson's fireworks, whether verbal or visual. By agreement with the independent and business groups supporting him, a "dignified" campaign was planned. Cermak's speeches stressed his long service to the city and county as alderman, state legislator, president of the county board. His public career of twenty-four years, he maintained, should give the lie to Thompson's insinuations. The apparent sincerity of his utterances carried weight; they were ably reinforced by the oratorical efforts of Senator James Hamilton Lewis, the clever and witty appeals of Professor Charles E. Merriam. The regular Democratic

organization functioned with great effectiveness; auxiliary groups of independents and Republicans lent useful aid. The effects of two additional Thompson rotogravures, and of a Better Government Association pamphlet denouncing Cermak as worse than Thompson, were more than counterbalanced by the relentless hammering of the *News* and *Tribune*.

THOMPSON CARRIES ONLY FIVE WARDS

It was difficult even for optimists to believe that the Thompson spell could be broken, but the results of the election vindicated the most hopeful predictions. Cermak rolled up a majority of 191,916, outstripping both actually and proportionally Thompson's record-winning margin of 1915. Thompson carried only five wards: the second, third and fourth, comprising the south side "black belt," the "bloody twentieth," and the twenty-eighth, both containing large colored settlements. Thompson's boast before a colored audience that "every damn one of you is for me before I say a word" seemed justified, but apart from this loyal constituency he could claim no other considerable group. Scrutiny of ward votes indicates that many Irish supported him, but that his appeals to racial prejudice had little effect upon Germans, Jews or Poles, the latter of whom were reputed to be greatly annoyed by Thompson's cordiality to Hearst, against whom this group had a grievance. Normally Republican wards on the north and south sides which went for Hoover in 1928 now turned uniformly to the Cermak column, while four wards in Cermak's home territory, the 21st, 22d, 23d and 24th, more than offset Thompson's gains in colored areas.

Many cross-currents complicated this remarkable political upheaval. In analyzing the result, however, the following factors appear to deserve special attention. (1) Absence of an independent candidate, enabling the concentration of anti-Thompson strength. (2) Continuing effect of the economic depression. (3) Desire of the business community to improve Chicago's reputation, which associated Thompsonism with gang warfare and crime conditions in general. (4) The bad impression created by Thompson's recent administration; in 1927 he had been out of office four years and his misdeeds had been forgotten. (5) Disorganization of the Republican party; factional leaders with him in 1927 now were neutral or hostile. Particularly disastrous was the desertion of George Harding, county treasurer and Thompson's long-time friend, who had wished to succeed Thompson and resented his running again. (6) Widespread splitting of tickets by Republicans, shown by the election of Kearns, a Deneen Republican, as city treasurer. (7) Relative unimportance of the liquor and religious issues. Both candidates were Protestants and wets. (8) Ineffectiveness of Thompson's campaign strategy. The old anti-League and anti-King George slogans had gone stale. Sneers at Cermak's nationality alienated the groups out of which Thompson's majorities had been built up (except the Negroes). The attack on Julius Rosenwald was inexcusable. Thompson's showmanship attracted the usual crowds, but less enthusiasm. (9) Cumulative effect of newspaper appeals. The *Tribune* at last "got its man." (10) Substantive weight of Cermak's candidacy. To powerful organization strength was added a career evidencing real ability.

WHAT CAN BE EXPECTED OF CERMAK?

It is clear that Chicago wanted a change and got it. But what may be expected of the new mayor? Has

Chicago, as some declare, merely exchanged Thompsonism for Tammany? The essential likeness of the two party machines may be conceded, but it must be remembered that in Chicago's form of city government authority resides at the top. No one realizes better than the new chief executive the immensity of the task of housecleaning confronting him, but he realizes equally well that what he wills can in considerable measure be brought to pass. The great concentration of power in his hands of which some have complained —the great majority of county offices are also manned by Democrats—may well be an advantage, providing as it does a partial *de facto* realization of the consolidation of local agencies long earnestly demanded.

One great encouragement to Cermak's independent backers was the fact that through his long career increasing power had brought with it increasing capacity and vision. Cermak's ambition, one is told, is to be a "real world's fair mayor" in the best sense of those words. His performances to date have given earnest of the sincerity of that ambition. His early appointments fell to men of high caliber, his inaugural address announced a program embodying many of the advanced principles of scientific administration. An advisory committee composed of representative citizens and experts in administration was named to coöperate in bringing about consolidation of departments, standardization of contracts and supplies, improved central purchasing, complete reclassification of the civil service, together with the installation of other devices of advanced personnel management, independent auditing of municipal accounts, continuous supervision of appropriations and expenditures, regular reporting—with still more that may not be included. This program—the drafting of which no doubt owes much to J. L. Jacobs, well known to readers of the NATIONAL MUNICIPAL REVIEW, who is now to be efficiency expert for the city as he has long been for the county of Cook—foreshadows a genuine revolution. Its even partial realization will mean a momentous change for the better. Let Chicago have her Jubilee! There may be shoals ahead; a straight course has at least been set.

SOME NOTABLE STATE BUDGET DOCUMENTS OF 1931

BY A. E. BUCK

National Institute of Public Administration

Budgets submitted to thirty-seven state legislatures on the whole show continued improvement in form and arrangement. :: ::

AN examination of the budget documents submitted to thirty-seven of the forty-one state legislatures which met in regular session during January of this year leads me to say that substantial progress is being made in the general form and arrangement of these documents. The improvement which has been made in several states over the documents of a few years ago is quite noticeable; indeed, it should be apparent even to those unacquainted with the technic of public budgeting. The fact that we started about twenty

years ago with practically no knowledge of budgetary literature (if such it may be called), and that we have developed in this short period quite a large volume of such literature of fairly creditable design is, it seems to me, indicative of a real advance in American public administration. Of course this has not been achieved uniformly over the country; in some half dozen states hardly a beginning has yet been made. My discussion in this article will deal only with the more advanced.

Certain features are now more or less generally accepted as essentials of the budget document of any state, or for that matter, of any governmental unit. These relate mainly to the comprehensiveness of the budget plan as presented in the document, and to the physical make-up of the document itself.

EFFORTS TOWARDS A COMPREHENSIVE BUDGET

Special effort has recently been made in several states to produce a comprehensive budget, one that reflects all income and outgo of the state government. Legal provisions are now in force in several states, notably California, Massachusetts, and Maryland, requiring *all* financial proposals to be shown in the budget. Even so, it has been difficult to make the budget fully comprehend all the expenditure requirements of these state governments. Political expediency or departmental opposition has often stood in the way. In California, for example, a constitutional amendment, adopted in 1922, required a comprehensive budget to be prepared for the state government, but 1931 came before it was finally achieved. Legislative expenditures are sometimes omitted from the budget. Frequently certain departmental or institutional expenditures are left out of the budget for one reason or another. Highway departments are excluded in some states because of the alleged difficulty of budgeting extensive construction programs. Educational institutions are also omitted on the ground that they are supported by mill levies or other special sources of revenue. The present tendency, however, is distinctly in the direction of including all state agencies in the budget regardless of their means of support. Certainly none of them presents problems which cannot be met by comprehensive budgetary planning. Notable examples of states with comprehensive budgets are California, Maryland, Massachusetts, New York, North Carolina, Pennsylvania, and Washington.

PHYSICAL MAKE-UP OF THE BUDGET DOCUMENTS

The development of the physical make-up of state budget documents is interesting. A question of considerable importance has come up in this connection. Is one or several documents necessary to present the financial plan to the legislature? At least one state is following the English method of submitting several documents—the governor's budget message, the summary financial statements, the estimates and supporting data of the individual departments and institutions or groups of institutions, and the appropriation and revenue bills. This is Wisconsin. I refer to the practice inaugurated this year under Governor LaFollette by State Budget Director J. B. Borden. Only the governor's budget message was printed; the other documents were submitted either in typed or mimeographed form. Other states, for example, North Carolina and Washington, submit budget bills as separate documents; Maryland submits not only the bills but the budget message apart from the summary statements and the estimates. The

general tendency, however, is in the direction of an integrated budget document, containing a limited number of parts, which are published either separately or in a single volume.

The essential parts of the budget document are now generally understood to be (1) the budget message, (2) the budget summary and supporting schedules, (3) the detailed estimates both of income and expenditures with comparative information and cost data, and (4) the budget bills. Less than a half dozen states produce budget documents which set out all of these essential parts, and even in these instances the attempt to present certain parts is quite rudimentary. Several state budget documents excel only in one essential part, while they exhibit other parts poorly or not at all. Of course state law, local customs, administrative machinery and methods, nature of financial information, and ability on the part of those responsible for the budget plan determine to a large extent the kind of budget document that can be turned out for the legislature.

SIGNIFICANT BUDGET MESSAGES

Among the notable budget messages in connection with state budgets for 1931 may be mentioned those of Governor Rolph of California, Governor Ritchie of Maryland, Governor Ely of Massachusetts, Governor Roosevelt of New York, Governor Gardner of North Carolina, Governor Pinchot of Pennsylvania, and Governor La-Follette of Wisconsin. In each instance the governor has assumed leadership in outlining a financial policy for the state government which is submitted for the consideration and action of the legislature. There seems no longer to be any doubt as to the propriety of executive leadership in this matter. Even in some of those states, like Wisconsin, which have been inclined to curtail gubernatorial authority, the governor has recently been given full responsibility for budgetary planning.

Strange as it may seem, many state budget documents fail to balance prospective outgo with anticipated income; in other words, they do not contain a budget summary in a single, concise table, with a few supporting schedules. However, there are several budget documents which do present such a summary, among which should be mentioned those of California, Connecticut, Delaware, Maryland, Massachusetts, New York, North Carolina, Pennsylvania, Washington, and Wisconsin. More emphasis needs to be placed upon the balanced budget summary. No document can be regarded as a complete budget that does not carry such a summary. Some of the state budgets, notably those of California and Kansas, have made use of graphic charts to illuminate the figures contained on the summary and supporting schedules.

BUDGET INFORMATION

The estimates, principally of expenditures, are presented in varying detail in the budget documents. The New York budget document, for example, contains little or no detail. It has been the practice, under Budget Director J. H. Wilson, merely to summarize the estimates, giving only four or five items for each department. This method of presenting the informational part of the budget is most unsatisfactory. California, North Carolina, and Washington are examples of states which present practically all of the information in the budget document that is collected on the estimates. This method is preferable to digesting the information. The California budget document, prepared under the direction

of R. A. Vandergrift, head of the department of finance under the present administration, with the assistance of Harold E. Smith, superintendent of accounts in the department of finance, sets up the detailed estimates under three divisions, called the general, educational, and highway budgets. This arrangement has distinct advantages when much of the financing is controlled by special funds, as in California. In such cases the educational and highway requirements are treated somewhat as if they were presented in annexed budgets. The North Carolina budget document, compiled by the governor's budget assistant, Henry Burke, presents rather elaborate detailed information regarding the estimates which has been carefully arranged for examination. The Washington state budget document, prepared by E. D. Brabrook, acting director of the department of efficiency, gives the detailed estimates and prints the names of the regular state employees to serve as a means of identifying the various positions in the different departments. Cost data, as an aid to checking certain departmental and institutional operations, are, as yet, rarely found in state budget documents. An attempt is made to present some data of this character in the Ohio budget document, prepared under the direction of Harvey Walker, assistant director of finance under Governor Cooper's administration. This budget document is unique in its use of aerial photographs of state institutional plants; it also contains personnel organization charts of departments and much running text on departmental activities.

Budget bills, principally appropriation bills, are presented by the budget making authority either as a part of or in connection with a number of state budget documents. Some examples of these bills are those of New York, North Carolina, and Washington. The items of appropriation are highly segregated in the case of New York, so much so that there is practically no flexibility in the execution of the budget. The items in the appropriations of North Carolina and Washington, which are in lump sum amounts for each of the several departments and agencies, are more in line with the requirements of good administration and the proper execution of the budget.

NORTH CAROLINA'S NEW PLAN FOR CONTROLLING LOCAL FISCAL AFFAIRS

BY CHESTER B. MASSLICH

Attorney at Law, New York City

North Carolina's new Local Government Act introduces stringent state control over local debts and debt service, new to American experience. :: :: :: :: :: :: :: ::

North Carolina's new Local Government Act shows a determined effort to correct abuses in connection with debt creation and taxation, as well as to safeguard public money and impose budgetary control upon cities, counties and other political subdivisions.

For some years the state has been paving the way for advanced legislation in these respects. As early as

1917 the general assembly passed its first so-called scientific bond act. It applied to cities and towns only and was revised in 1921. A somewhat similar act was passed for counties in 1927, and at the same time an advanced plan for budgetary control in counties was enacted.

Two years ago a tendency toward extravagance in debt creation led to the passage of a law which required approval by the state sinking fund commission of all bonds and notes of municipalities, counties and other political subdivisions except tax anticipation notes.

But the legislature was unwilling to provide for positive enforcement of the provisions of the budgetary measure, and the sinking fund commission act of 1929 proved a none too effective curb upon bond and note issuance.

The 1931 general assembly was in a mood not only to extend and improve these salutary laws, but "to put teeth in them." Bank failures had given the state a fright. Poor special assessment collections, with extravagance in some quarters and an unwillingness to levy sufficient taxes to meet appropriations, stirred the lawmakers into activity. The most significant of the corrective laws passed at the recent session is the Local Government Act. Even after its passage early in March several strengthening amendments were made.

LOCAL GOVERNMENT COMMISSION AND DIRECTOR OF LOCAL GOVERNMENT

The act creates a new state commission, known as the Local Government Commission. The state auditor, state treasurer and commissioner of revenue are members ex officio. The remaining six members are appointed by the governor and hold office at his pleasure. All are required to give such bond as the governor may require.

One of the six appointees is designated by the governor as director of local government. The director acts as secretary of the commission, but has many independent functions and powers. He appoints such assistants as may be necessary. They are responsible to him, and he fixes their compensation, subject to the approval of the governor.

Practically all functions of the commission may be performed by the executive committee, which consists of the three ex officio members and the director. The executive committee's orders are reviewable by the commission as a whole, however, except orders approving notes maturing not more than six months from their date, if request for review is made within five days. Orders of the executive committee refusing to approve bonds or notes are reviewable if request is made within thirty days.

APPROVAL OF BONDS AND NOTES

The act declares that no bond or note of a unit (the term used in the act to refer to a municipality, county or other political subdivision) shall be valid unless it bears a certificate, signed by the secretary of the commission or an assistant appointed by him, that its issuance has been approved under the provisions of the act or that the approval of the commission is not required by law. The only securities which can be issued without the commission's approval are bonds or notes approved by the state sinking fund commission before the repeal of the 1929 law. The certificate is made conclusive evidence that the securities have been duly approved, advertised and sold, that their details have been recorded in the commission's books and that the recording officer of the issuing board has certified that the authorizing proceedings have been recorded in

the books of that board, but it is expressly declared that the approval shall not extend to the legality of the securities.

The scope of the commission's inquiry is set forth in section 12 of the act in these words:

> In determining whether a proposed issue of bonds or notes shall be approved, the Commission may consider the necessity of any improvement to be made from the proceeds of any of such bonds or notes, the amount of indebtedness of the unit then outstanding, the fact that sinking funds for existing debts have been adequately maintained or have not been adequately maintained, the percentage of collections of taxes for the preceding fiscal year, the fact of compliance or noncompliance with the law in the matter of budgetary control, the question of whether the unit is in default in the payment of any of its indebtedness or interest thereon, the existing tax rates, the increase of tax rate, if any, necessary to maintain such sinking funds adequately, the assessed value of taxable property, and the reasonable ability of the unit to sustain the additional tax levy, if any, necessary to pay the interest and principal of the proposed obligations as the same become payable. If the proposed issue is for a public improvement in the nature of establishing or enlarging a revenue-producing enterprise, the Commission shall take into consideration the probable earnings of the improvement and the extent to which such earnings will be sufficient to pay the interest and principal when due of the proposed obligations or that part thereof to be devoted to such improvement. The Commission shall also consider the adequacy or inadequacy of the amount of the proposed issue for the accomplishment of the purpose for which the obligations are to be issued, and whether such amount is excessive. The Commission shall have authority to inquire into and give consideration to any other matters which it may believe to have a bearing on the question presented.

The commission is directed to approve bonds or notes only if it is of the opinion that the issuance is necessary or expedient, and that the amount proposed is adequate and not excessive. Furthermore, in all cases except funding and refunding bonds, the commission's approval must rest upon its opinion (section 13):

> (c) either that adequate sinking funds have been maintained or that reasonable assurance has been given that henceforth they will be maintained to the extent required by or under the authority of law, and (d) that the increase in tax rate, if any, that will be necessitated for the proper maintenance of sinking funds as so required will not be unduly burdensome, and (e) that the unit is not in default in the payment of the principal or interest of any of its indebtedness, and (f) that the requirements of law for budgetary control have been substantially complied with, and (g) that at least eighty per cent (80%) of the general taxes of the unit for the preceding fiscal year have been collected.

The commission is required to grant a public hearing on applications for approval of bonds and notes, if requested; if it refuses to approve, the bonds cannot be issued except after a favorable vote at an election.

So-called "proceedings contracts," unless made with attorneys at law and limited strictly to the doing of legal work for the units, are declared void unless approved by the commission.

SALE OF BONDS AT RALEIGH

A feature of the act is the provision that all bonds and notes shall be sold by the commission in Raleigh, unless exchanged by the state treasurer for outstanding indebtedness. The commission is required to publish a notice in a local newspaper at least ten days before any sale, and may publish the notice in other papers including a financial journal published in New York and devoted to municipal bonds. Sealed bids are required, and auctions are prohibited. A certified check of 2 per cent is required with bids for bonds, and ½ of 1 per cent with bids for notes. The paper must be awarded to the highest bidder, unless the bidder

is permitted to bid on the rate of interest, in which case it goes to the highest bidder at the lowest rate of interest bid. The commission is required to send information concerning advertised bonds to all applicants. A private sale can be made only within thirty days after the date of an advertised sale, and then only in case no legally acceptable bid has been received at the advertised sale.

The securities are delivered to the purchaser by the state treasurer, who receives the proceeds and remits to the proper authorities. If the bonds are for funding, refunding or renewal, the state treasurer is permitted to apply the proceeds directly to the payment of the outstanding debt.

SAFEGUARDING FUNDS, INCLUDING SINKING FUNDS

The director is required to keep himself informed as to the condition of local sinking funds, including the amount on hand, their investment or the security given for their safekeeping and the rate of tax necessary to maintain the sinking funds. It is his duty to issue orders requiring the proper officers of each unit to comply with law in respect of sinking funds. Such an order from the director is final unless within five days an appeal is taken to the commission as a whole.

Local sinking funds, if invested, must be invested in bonds or notes of the United States or the state of North Carolina, or in bonds or notes of the particular unit making the investment, or in such bonds or notes of North Carolina municipalities, counties and school districts as are eligible for investment of the sinking funds of the state. The specific approval of the commission is required, however, before any investment may be made in such bonds or notes of a North Carolina city, county or school district, and the commission is directed by the act "to scrutinize with great care any applications for any such investment, and to refrain from approving the same unless such investment is prudent and is safe in the opinion of the commission, and unless the legality thereof has been approved by an attorney believed by the commission to be competent as an authority upon the law of public securities." The commission is prohibited from approving such an investment in bonds or notes of a unit in default.

If sinking funds are not invested, they must be deposited under the same security which the act requires for all municipal funds. These rules for security for municipal deposits are unusually strict. Unless protected by collateral, all deposits must be secured by corporate surety bonds in a form approved by the commission and in an amount sufficient to protect the deposits, but in any event not less than the average daily bank balance of the unit for the preceding year. The commission may even require an additional bond. In lieu of such security, deposits may be secured by such bonds or notes as collateral, if approved by the commission, as are made eligible sinking fund investments by the act, except in the case of "current funds." By an amendment of the act, current funds may be secured by bonds or notes of the unit whose funds are deposited if the director or the commission approves such security.

If it appears to the director that any sinking funds are not deposited under the security required or are not invested in securities which are eligible for such investment, he must require compliance with law in such respects within thirty days, with the proviso that units are given nine months within which to sell ineligible securities, and that this period may be extended by the

commission from time to time, but not for more than one year at a time, and the further proviso that the time for requiring security for deposits made before March 18, 1931, may be extended ninety days by the director, and in the commission's discretion and with the approval of the commissioner of banks for a period not later than October 1, 1931.

All officers in charge of sinking funds are required to make semi-annual reports to the director, giving the amount of such funds and stating how they are secured or invested. A similar requirement is made by a separate section as to all funds of the unit.

That the general assembly was determined to make the carrying out of these remarkable provisions possible is shown by a section of unusual import, authorizing the deposit of municipal funds in banks outside the state in case proper security cannot be given if deposited within the state.

NORTH CAROLINA'S SUBSTITUTE FOR A MUNICIPAL RECEIVER

One of the most novel features of the act is the provision that in case of default in the payment of any indebtedness of a unit, the director may appoint an administrator of finance for the unit at such compensation as he may determine, but not more than three hundred dollars monthly except with the approval of the governor. The administrator must take full charge of tax collections and the custody and disbursement of all funds, unless the director should limit his duties in this respect. He may retain under his supervision and control any city or county officers or employees, or in his discretion he may remove them and employ his own clerical force. The unit is required to budget an amount necessary to pay the salary and expenses of the administrator.

SPECIAL PROVISIONS TO PREVENT DEFAULTS

The director is required to mail each officer having any duties in connection with levying taxes, at least thirty days before the annual time for tax levy, a statement of the tax that must be levied for debt service; and at least thirty days before the time for interest and principal payments, the director must mail each disbursing officer a statement of the amount he is required to send to the designated place of payment.

NEW PROVISIONS FOR THE ISSUANCE OF BONDS AND NOTES

It is now provided that all indebtedness incurred before July 1, 1931, bonded as well as floating, may be funded or refunded, except serially maturing bonds of municipalities and counties maturing after July 1, 1933. Counties having a gross debt in excess of 10 per cent of the assessed valuation may refund such serially maturing bonds, however, and as to such counties all the requirements of the County Finance Act relating to serial maturities are dispensed with. Long maturities are provided for the funding and refunding bonds of cities and counties having debts in excess of certain high percentages of the assessed valuation.

Counties are now authorized to issue bonds to fund current expense debt, with the provision that the tax for their payment shall be unlimited unless otherwise required by the constitution. This provision is inserted in response to a decision of the Supreme Court of North Carolina holding that county bonds issued to fund current expense debt are not issued for a "special purpose" within the meaning of the constitution, and therefore are not protected by an unlimited tax, and

that since the attempted authorization of such bonds by the County Finance Act of 1927 had required an unlimited tax, the authorization itself must be held void. Hope has recently been expressed that the Supreme Court may now hold that on account of the exigencies which gave birth to this legislation in 1931, the balancing of budgets by issuing funding bonds constitutes a "special purpose" justifying an unlimited tax for the payment of such bonds.

FISCAL CONTROL

The act directs that substantially all the provisions of the County Fiscal Control Act of 1927 shall now apply to cities and towns also. The distinguishing feature of that act is its requirement for an annual tax levy sufficient to meet the annual appropriation bill, as well as all deficits, amounts required for debt service and the probable delinquencies in tax collections, the latter to be calculated mathematically from the average delinquencies of the three preceding years. In counties the budget officer is the county accountant. This act provides for a new officer, known as a municipal accountant, who is to be the budget officer in cities and towns. He is required to be bonded.

Orders, warrants, requisitions and contracts are declared void unless they bear a statement signed by the accountant that the amount to be paid thereon has been appropriated and remains unencumbered. Tax anticipation notes are declared void unless they bear a statement signed by the accountant that their payment has been provided by appropriations. These provisions should show a local banker that even his loyalty to local political demands will afford him no protection if he loans money illegally to his community.

COLLECTION OF SPECIAL ASSESSMENTS

An amendment of the Local Government Act provides that at the annual tax sale special assessments shall be included with general city taxes and that the property affected shall be sold for both liens, with interest and penalties.

ENFORCEMENT OF ACT

Striking features of the act are its provisions for enforcement. Herein, it is hoped, lie the "teeth" left out of earlier laws.

It is made a misdemeanor, punishable by fine or imprisonment or both, for the disbursing officer of a unit to fail to remit moneys for bond and interest payments to the designated place of payment if he has funds with which the remittance can be made.

Misappropriation of moneys collected for debt service constitutes a misdemeanor, as well as false certificates in any matters required by the act and failure to perform any duty under the act. Even the director and each member of the local government commission are under penalty for failure to perform a duty required of them.

It is made the duty of the attorney general, upon complaint of the director and in the case of violation of any criminal provision of the act, to investigate the charges preferred. If he believes the law has been violated he must direct the solicitor of the proper district to institute a criminal action against the offender. Upon the request of the governor, the attorney general must himself take charge of the prosecution, and may employ special counsel to assist the attorney general or the solicitor.

REMOVAL FROM OFFICE OF ANY OFFENDING OFFICER

The governor is given power to remove not only any officer of a unit who

fails or refuses to comply with any requirement of the act, but may remove even the members of the commission, including the director. The governor's order of removal is final unless after a hearing the commission refuses to confirm the removal. It is the duty of the director to bring offenses to the attention of the governor, unless the director be the offending party, in which case it becomes the duty of the attorney general to notify the governor.

PROBABLE EFFECT OF THE NEW LAW

Investment dealers are pointing to recent sales of North Carolina municipals at low interest rates as a distinct and immediate benefit the state has received from this legislation. Its real value can only be tested by time, however, and may depend largely upon the industry and public spirit shown by those to whom its operation is entrusted. There are sound reasons for hoping that political influence will be almost negligible.

THE POLITICAL SABOTAGE OF THE CLEVELAND MUNICIPAL LIGHT PLANT

BY R. HUSSELMAN

Formerly Engineer of General Construction, Division of Light and Heat of the City of Cleveland

The plant has been "sabotaged," writes Mr. Husselman, not by willful violence, but by failure to expand its size and market as modern conditions dictate. :: :: :: :: :: :: :: ::

Cleveland began its municipal electric utility business in 1906, without any predetermined policy, through the annexation of a village. A second small plant was acquired in the same way in 1910. In 1911 three-cent light, to be supplied by a municipal plant, became the issue in the mayorality campaign. Its possibility was ridiculed by the private power company, which was then charging domestic consumers 10 cents per kilowatt hour for energy, but a $2,000,000 bond issue with which to build a modern electric plant was approved by the electors.

A RATE REGULATOR

The new plant began operations on July 20, 1914, with a maximum rate of three cents per kilowatt hour and power rates running down to well below one cent. This rate remained without change until February, 1925, when a service charge of thirty (30 cents) per month per connection was added. The present rate, applicable to all demands of less than twenty kilowatts, is:

A service charge of thirty cents per month per connection plus an energy charge of:

3 cents per kw. h. for the first 1550 kw. h. per month

2 cents per kw. h. for the next 1550 kw. h. per month

1½ cents per kw. h. for all over 3100 kw. h. per month

The private company in Cleveland charged a maximum rate of ten cents per kilowatt hour until April, 1920. At that time, after an extensive rate case before the Ohio commission and in the courts, which was begun in 1914 and finished in 1919, this rate was reduced by the company to a maximum of five cents and this regardless of an order of the commission providing that

"ten cents is the just and reasonable maximum price at which the electric lighting should be sold to consumers in the city of Cleveland, Ohio, . . ." and notwithstanding its contentions, during the trial of the case, that the cost of rendering service to domestic consumers greatly exceeded ten cents per kilowatt hour. Since 1920, the private company has made further reductions in its rates, although its maximum rate is still five cents.

The saving to the taxpayers of Cleveland in the cost of street lighting and to the consumers, as a result of the municipal plant, by December 31, 1923, amounted to the amazing sum of $20,959,000.[1] The saving up to the present time was recently estimated by employees of the division at $39,000,000. The municipal plant has been a most effective rate regulating competitor.

A FINANCIAL SUCCESS

A few statistics concerning this municipal plant as of December 31, 1929, are of interest. The city's investment in plant is $15,013,729.48; total bonded debt, $7,012,000;[2] generating capacity of plant, 50,000 kilowatts; kilowatt hours sold in 1929, 155,512,362; number of customers, 44,822; number of street lights served, 16,037; gross revenues $3,817,074.91; operating expenses, $2,568,564.94, which include all maintenance expenses and $746,402.65 for reserve for depreciation. Bond interest amounted to $323,739.28. Net income after depreciation and bond interest $924,770.69; estimated taxes that would be paid if plant were privately owned, $377,287.20, and net income after such taxes (which are not paid), bond interest and depreciation, $547,483.49.

Stated in a different way, these figures show that the Cleveland municipal plant, with the lowest service rates in the country, showed a net income for the year 1929 of $1,994,912.62, before depreciation, bond interest and taxes, *which is more than six times bond interest.* After depreciation and estimated taxes, the net is $871,222.77 which is 2.7 times bond interest.

The present physical condition of the existing plant is very good. It has been well maintained. The service rendered is continuous and reliable, both as to the energy supply and the handling of customer's complaints. Considering the low rates charged for its service, the financial results of its operation seems to be adequate. Superficially, this plant seems to have been efficiently and properly handled. In view of these statements the reader may well ask, where is there any sabotage, political or otherwise, in connection with this municipal plant?

SYSTEM HAS SUFFERED FROM POLITICAL SABOTAGE

It should be explained here that "sabotage" is not used in this article in the concrete sense of willful destruction of *existing property* through apparently accidental means such as the placing of grit in the crankcase of an automobile or blowing up the manholes in a distribution system. It is not used even in the sense of neglecting maintenance and repair or failure to provide reasonably efficient operation of existing property. This is obvious from the foregoing statements. "Sabotage," as here used, covers and embraces the deliberate efforts of employees to injure or destroy a valuable property and institution at some future time, first, by the advancement and

[1] Report of Director of Public Utilities of the City of Cleveland to the Members of the Utilities Committee of City Council, July 27, 1924.

[2] There are no other debts except current liabilities.

promotion of pernicious theories and policies and secondly, by actually carrying such theories and policies into effect to the fullest extent possible under the conditions.

The political sabotage to which the Cleveland municipal electric plant has been subjected is not found by a superficial examination. It does not come to light until a careful and thorough search is made below the smooth surface of apparently efficient handling and good financial results. However, a searching look below the surface soon discloses that a false sense of security has been created in the minds of the people at large with respect to this institution that is not at all justified by the true facts and conditions.

An article by Paul Tomlinson,[3] entitled "Why Government Operation is Political Operation" appeared in the December 11, 1930, issue of *Public Utilities Fortnightly*. This statement was made: "In Cleveland a private plant has extended its business rapidly, while a competing municipally-owned plant has shown no growth at all." If the author referred to the period covered by the last five or six years, he certainly is not far wrong.

[3] A contributor to the magazines and connected with Princeton University—*Public Utilities Fortnightly*, Vol. VI. No. 12, "Pages with the Editors."

PLANT'S GROWTH RETARDED SINCE ADOPTION OF MANAGER PLAN

Cleveland adopted the city manager form of government, effective on January 1, 1924. Until then the municipal plant enjoyed a rapid growth but it has not been properly extended and developed since. Failure to develop the plant has not been due to inability to secure new business or obtain funds; neither has it been due to unprofitable operations. It seems the private company, not wanting the plant extended, has found a way, by engaging in politics, to prevent it.

The few simple statistics set forth below will show better than pages of explanation what has taken place with respect to the municipal light plant under the city manager plan of government. Figures since December 31, 1928, are not given for the reason that it is desired to compare the results of the first five years under the manager plan with comparable prior periods under the mayors. Results for 1929, however, were somewhat better than in 1928 to the extent of the natural increase of an almost static plant.

The generating capacity in the plant has been as follows: July, 1914 to June, 1919—15,000 kw.; June, 1919 to 1922—25,000 kw.; 1922 to Dec. 1925—35,000 kw.; and December, 1925 to the present 50,000 kw. Funds for

COMPARISON OF SALES REVENUES AND CUSTOMERS BY FIVE-YEAR PERIOD

Percentage of Increase over Preceding Period

Period	Sales of Energy in kw. h.	Revenues from sales	Number of customers	Number of customers at Dec. 31
1913–1918	826.0	462.0	310.0	1913— 5,200
1918–1923	112.3	140.5	66.0	1923—35,394
1923–1928	32.4	38.8	23.0	1928—43,629

The last line shows the results under a *city manager*.

the last addition to generating capacity were appropriated under the last mayor.

In 1910 and 1911 the private company in Cleveland built what was then a very large generating plant on the shore of Lake Erie at East 70th Street. This plant was kept in an almost continuous state of expansion and enlargement until 1925, at which time it had the greatest generating capacity in any single power station in the world. Since 1925 this private company has built and equipped two large, modern generating plants to produce energy for the territory which it serves. One of these plants, located about twenty miles west of Cleveland, has a capacity of 140,000 kilowatts while the other, recently put into operation at Ashtubula, Ohio, has a capacity of 150,000 kilowatts.

These data are given here merely for the purpose of showing what is necessary in the way of expansion to keep pace with the advance in the art of producing electricity—to show that if plants of this kind are not extended and enlarged at reasonable intervals they soon become obsolete and therefore unfit to compete with plants which are kept up to date.

From 1914 to 1924 the municipal plant was the object of almost continuous open attacks from the private company—some of which were national in scope. The last open attack was made in 1924 by the Ohio Committee on Public Utility Information, an organization of the private power interests.

CITY MANAGER UNFRIENDLY TO PUBLIC OWNERSHIP

The city of Cleveland owns and operates two large public utilities, namely, a waterworks with a plant investment in the amount of $52,342,097.68, and gross revenues from the sale of water in the year 1929 of $4,464,344, and the electric plant above described. Yet for its first city manager, who took office on January 1, 1924, the city council chose a man unfriendly to the public ownership and operation of utilities.[4] Regardless of this known unfriendliness, this manager was permitted to hold the office for six years.

The principal argument advanced by the advocates of private ownership and operation of utilities against public ownership—or government in business—is that of "politics." However, these advocates always fail to point out that, whenever a municipal plant of any kind becomes involved in politics, it is because some private company, in fighting it, deliberately put it there. Unquestionably, the city of Cleveland and the Cleveland Municipal Light Plant have been involved in politics of the worst sort since 1924.

Soon after the first manager took office, the city employed an accountant and an engineer to make an examination and report on the condition of the light plant. The engineer so employed was known to be opposed to public ownership. In his report he said "We believe that the growth of the present plant should be limited to 50,000 kw. . . . Since there has been so much advance in the art in the past few years, and will continue to be, together with the development of super power systems, *a logical step from a central station point of view is to purchase 'base load' power wholesale, and retail it for distribution. . . .*"[5] Space

[4] See open letter in *New York Herald-Tribune*, Feb. 15, 1926, by W. R. Hopkins, commenting on proposal of Governor Alfred E. Smith for power development by the state. This letter was later published in part in "Government (Political) Ownership and Operation and the Electric Light and Power Industry," published in 1928 by National Electric Light Association.

[5] Report of A. B. Roberts, filed July, 1924, and "Recommendations—M. E. L. P." (Municipal Electric Light Plant) submitted August 1, 1924.

does not permit the mention of other and similar statements made by the engineer in this report.

Immediately after the filing of this engineer's report, the director of public utilities [6] began to expound those theories, policies and recommendations so inimical to the municipal light plant which he made repeatedly throughout his tenure of office and even after [7] he was forced to resign because of the ouster of the city manager who appointed him. During all this time his policies were supported and confirmed by that city manager.

POLICY OF NON-EXPANSION BASED ON ANTAGONISM TO PUBLIC OWNERSHIP

The tenor of the policies and recommendations of the director with respect to the municipal plant is shown by a few brief quotations from his official reports and statements as follows:

As competition becomes keener, discard the "isolated plant" ideas and become a logical part of a super power system. In the near future, the city should be able to buy power wholesale at least .003 cheaper than it can produce it. In other words, *purchase "base load" power wholesale and retail it for distribution, keeping the generating station at 50,000 kilowatts to help out during peak demands and for standby service.*[8]

This is the age of super-power. Production is now on a large scale. Single units larger than the entire generating capacity of the Municipal Plant are not uncommon. Transmission of electricity on high tension lines is now accomplished with greatly reduced losses for long distances. Production costs have been lowered. Rates have already been reduced and it is fair to assume that consolidation, combinations, and resulting economies will result in further reductions. Great systems are tying in with one another. Large plants pride themselves on their interconnecting lines with other companies and advertise such connections as guarantees against interruption of service.

The advantages of such interconnections are great and obvious. *We therefore naturally assume that a way will be found to secure them for our plant.*

RECOMMENDATIONS

1. In order to insure continuous service without interruption at any time and to safeguard its 42,000 customers and its street lighting service, *our plant should be interconnected with power lines transmitting current produced by some other company or organization.*[9]

It would hardly seem sound business to install additional new or replacement production units in the Municipal Plant to supply base load, if our requirements for additional base load can be purchased elsewhere at a fair price.[10]

On February 13, 1928, the director made a report, in compliance with a resolution of the city council and with the approval of the city manager, in which he made approximately the same statements as quoted in the first two paragraphs indicated by footnote 9 above and again emphasized the desirability of an "interconnection." At this time he brought forth three new bugbears to scare the council and called them "lack of capital," "engineering difficulties" and "prohibitive expenditures."[11] On February 15, 1930, he wrote, "This problem is not one of expanding and extending the Central

[6] Under the city charter the director of public utilities, appointed by the city manager, "shall manage all non-tax supported public utility undertakings of the city including all municipal water, lighting, heating, power, . . . enterprises," (Sec. 76).

[7] "Cleveland's Municipal Light Plant and Its Future—Theory, Politics of Common Sense," by Howell Wright (May 1, 1930).

[8] Director Wright's communication to members of the Utilities Committee of Council, dated August 11, 1924.

[9] Report of Department of Public Utilities, 1926, Division of Light and Power, dated June 1, 1927, by the Director.

[10] Director's letter to Carl D. Thompson, Secretary, Public Ownership League, January 15, 1927.

[11] Printed pamphlet, February 13, 1928, *The Future of Cleveland's Municipal Light Plant*, by Howell Wright, with Foreword by Hon. Newton D. Baker.

Station of the Municipal Electric Light Plant."[12]

Thus the policies with respect to non-expansion of the plant and its interconnection with "a company or organization" which, in the nature of things, could have been none other than the private company in Cleveland —policies first recommended by an engineer opposed to public ownership— were adopted and repeatedly advanced by the first city manager and his director of utilities up to the time of their dismissal.

Some of the statements quoted above are almost word for word the arguments used over and over again by the power monopoly in its propaganda against municipal ownership and operation in the electric light and power industry. They are precisely the arguments used in their efforts to acquire municipal light plants or to prevent the building of new municipal plants. The director of public utilities of Cleveland assumed the rôle of mouth-piece for the power interests, innocently or otherwise.

STREET LIGHTING DEVELOPED DISPROPORTIONATELY

These same officials carried out policies inimical to the welfare and development of the light plant. They over-extended its street lighting load and facilities, especially as regards ornamental or white way lighting systems, by increasing the number of street lamps from 4,134 in 1924, these involving an investment of $567,480.18, to 16,037 at December 31, 1929, when the street lighting systems of the municipal plant stood on its books at a cost of $2,444,662.65.[13]

A street lighting load is a poor revenue producer as compared with other classes of service, yet during the first six years under city manager government the investment in street lighting facilities was increased 430 per cent, although total plant and property was increased only 175 per cent. In 1924 the investment in street lighting was 6.67 per cent of total investment; six years later 16.3 per cent of total investment in property was in street lighting facilities and equipment. Because of this over-expansion of street lighting as compared with other phases of the business, this service during 1929 was rendered at a loss of over $46,000, the bare cost exceeding the revenues from street lighting by that amount at least. On the surface it might seem that this loss resulted from the charges being too low. The fact is that it came directly from the excessive investment charges on the unreasonably large portion of the whole property that is devoted to street lighting purposes.

By discontinuing the solicitation of power business, the first city manager of Cleveland and his officers acted in a manner detrimental to the plant's operating results. Under this policy the plant ceased to compete with the private company for this class of business (as well as for domestic and commercial business), with the result that a considerable number of large power customers were lost to the private company. An examination made in the fall of 1929 showed that 36 power consumers with a total capacity of over 5,000 kilowatts were lost by the municipal plant in the years 1924 to 1927 inclusive and in 1929—the records for 1928 not being available. As a result of the loss of these customers, either through neglect or intentionally, and the over-expansion of street lighting, the power business, in kilowatt hours sold from 1923 to 1928, increased only 15.8 per cent, while the street lighting sales increased 164 per cent during the same period.

[12] Footnote 7, *Supra.*

[13] Scovell, Wellington & Company's audit, September 15, 1930.

EXCESSIVE PAYMENTS TO CITY'S GENERAL FUND

On January 17, 1929, the sum of $512,783.38, principal and interest, was paid from the light plant fund into the general fund of the city. The principal of the above sum, $276,665.75, consisted of sums advanced by the city, during the period from 1906 to 1909 inclusive, to the small plants which it acquired through the annexation of villages. The director recommended this payment. Thus, in 1929, the officials grasped the opportunity to reduce the light plant funds by assuming the payment of these advances made twenty years or more before, *and from five to eight years before the light plant was put into operation in July, 1914.* Concerning this payment an independent councilman said: "This dirty business could have been done for only two purposes: (1) To obtain money to carry on the supposedly tax-supported activities of the city, or (2) To deplete the funds of the light plant in order to hamper its extension." [14]

It may be said that, under its charter, the council of Cleveland is the policy forming body. Obviously, any legislation providing for an extension of the light plant must be passed by council. During his tenure of office, the director of public utilities continually advised council against any extension or enlargement of the municipal generating plant and recommended "interconnection" with superpower lines. Under these conditions, his failure to request legislation authorizing an extension of the plant cannot be excused on the ground that by so doing he would have gone outside of the proper sphere of his duties.

No legislation providing for extension of the light plant was passed by council during the years from 1924 to 1929, inclusive, nor was any recommendation along that line offered by the city manager or director of public utilities. During October of 1929, the independent councilman mentioned above, introduced a resolution in council providing for the extension of the plant and for raising the funds for this purpose by the sale of bonds secured by a first mortgage on the property and revenues of the plant.

Immediately the city manager and director—and some of the councilmen—set up a great hue and cry attacking this resolution. One newspaper charged the author of the resolution with "turning his back upon the more democratic way of financing by submission of a bond issue to the people." [15] The procedure suggested is provided for in the Constitution of Ohio [16] and has been used by many municipalities in the state. Under the law, a regular municipal bond issue must be voted upon at a regular election in November, while, on petition of ten per cent of the electors, mortgage bonds are voted upon, if at all, at a special election held within four months after passage of the legislation. Their statements with respect to this resolution served to show that, when the necessity arose, the objectors holding city offices promptly set about to defeat this legislation proposed in the best interests of the very institution they took an oath to protect.

Although a year and a half has elapsed since the above mentioned resolution was first introduced, during which time the first city manager and his director of utilities were ousted and their successors named, it has not

[14] "Enlarge the Municipal Light Plant," by F. W. Walz, M.D., Councilman from First District, City of Cleveland, June, 1930.

[15] Editorial in *The Cleveland Press*, October 3, 1929.

[16] Article XVIII, Section 12, of the Constitution of Ohio.

been passed by the council but is still in committee or in the hands of some official. Meanwhile the necessity for an extension has become more acute. The reason for the dilatory tactics lies in the fact that most of the councilmen who were elected in the fall of 1929 are politicians whose acts indicate that they are controlled by the political bosses. The present city manager seems to have no policies with respect to the light plant.

MUNICIPAL PLANT IN DANGER

In the execution of his duties the present city manager has played the politicians' game. He appointed a lawyer as director of public utilities to whose management is intrusted the $68,000,000 public utilities of the city which have annual gross revenues totaling to more than eight and a quarter million dollars. This lawyer had no previous experience or training as a utility executive which would qualify him in the least for the job.

There is an understanding between the utilities department of the city and the private company that they will not "take" the other's customers. Concerning this *The Cleveland Plain Dealer* of June 13, 1930, said:

ILLUMINATING CO. AND CITY IN PACT

Agree Neither Will Take New Customer from Other Without Parley

Diplomatic relations extraordinary have been established between the two institutions competing in the sale of electric light and power in Cleveland, the *Plain Dealer* learned yesterday.

Ostensibly to preclude the possibility of a "rate war," the Cleveland Electric Illuminating Co. and the municipal division of light and power have entered into an agreement whereby neither will take a new customer who has been using the other's service without first holding a parley on the matter. . . .

The agreement between the two services further provides that salesmen will make no effort to get customers to change their service.

It is common talk among those who know the existing conditions that potential employees of the city lighting department must be approved by someone connected with the private company before they are employed by the city. In so far as the Cleveland Municipal Light Plant is concerned, it would seem that this is about the ultimate in what may well be termed "political sabotage." Matters cannot go much further before the private company actually gets possession of the physical property of the city's plant in place of mere political control. This, of course, is the end to which that company has been directing its efforts.

It will be a sorry day for the city of Cleveland if the people permit the private electric company, by and through its control of political bosses and politicians, to complete the sabotage of this most valuable asset of the city, this municipal light plant which has given the city the lowest electric rates in the United States; this property which has not cost the taxpayers anything and has saved electric consumers some thirty-nine million dollars.

WASHINGTON'S PUBLIC OWNERSHIP DISTRICT POWER LAW

BY JAMES K. HALL, PH.D.
University of Washington

The story of a hot campaign resulting in victory for the District Power Bill making possible rural public ownership of light and power systems. Probable significance of the new law. :: ::

THE long contest in Washington to inject effective competition in the monopolistic field of rural electric light and power production and distribution in order that rural consumers be assured reasonable rates for electric service finally culminated in the passage of Initiative to the Legislature No. 1, the District Power Bill, in the general election in November, 1930.

In 1924, with the introduction of Initiative Petition No. 52, the "Bone Bill," which gave the necessary sanction to municipal plants to sell power outside their corporate limits, and to condemn private systems, rural communities hoped for relief from the high light and power rates charged by the private utilities. In this they were subject to disappointment as the "Bone Bill" suffered a severe defeat at the polls. Not deterred by this defeat, the State Grange in 1928 circulated petitions and secured the necessary signatures for a district power bill known as Initiative to the Legislature No. 1.

According to the text of the bill its purpose was ". . . to authorize the establishment of public utility districts to conserve the water and power resources of the State of Washington for the benefit of the people thereof, and to supply public utility service, including water and electricity for all uses." Initiative to the Legislature No. 1, submitted to the legislature in January, 1929, was rejected by the senate on February 1, 1929, by a vote of 20 to 17, and as a result automatically went on the ballot for the general election in November, 1930. The bill was passed by the Washington electorate by a vote of 152,487 to 130,901 after a costly and determined contest against the bill by the privately-owned electric utilities.

LEADERS PRO AND CON

The Washington State Grange was the organization primarily responsible for the passage of the bill. The Grange, however, was assisted by the State Federation of Labor, the Railway Brotherhoods, the Farmers Union, the Farm Bureau, the Women's Legislative Council, the Farmers Mutual Electric Association, and the Federated Improvement and Civic clubs, all of which lined up strongly for the bill.

The privately-owned electric utilities throughout the state were strongly opposed, of course, to the bill and strenuous efforts were made to defeat it. The Puget Sound Power and Light Company[1] led the opposition in western Washington, and was ably seconded by the Washington Water Power Company[2] in eastern Washington. The

[1] The Puget Sound Power and Light Company is controlled by the Engineers Public Service Company, which in turn is controlled by Stone and Webster, Inc.

[2] The Washington Water Power Company is controlled by the American Power and Light Company, which in turn is supervised by the Electric Bond and Share Company.

other privately-owned power companies, the Pacific Power and Light Company, the Northwestern Electric Company, the Gray's Harbor Railway and Light Company, the Cheney Light and Power Company, the Pacific Northwest Public Service Company, and the Stevens County Power and Light Company were active also in their respective territories in trying to defeat the bill.

The executive committee entrusted with the campaign for the bill had a campaign fund of less than $5,000, raised by popular subscription. Due to the shortage of funds no paid newspaper publicity was attempted. In the case of free newspaper publicity the proponents of the bill suffered, as such free publicity, from the standpoint of quantity, greatly favored the opponents of the bill.[1] As the privately-owned utilities resorted to the extensive use of paid newspaper advertisements in addition to free publicity, it may readily be perceived that the great mass of newspaper publicity to which the people of the state were subjected was in opposition to the bill.

WHAT THE BILL DOES

The District Power Bill authorizes the establishment of municipal corporations to be known as public utility districts in any section of the state of Washington for the purpose of owning and operating electric power, irrigation, and domestic water systems. The public utility districts upon formation may or may not be coextensive with the county; if a less area than the county is described, the then existing boundaries may not divide a voting precinct. Provision is made for the consolidation of two or more contiguous districts into one public utility district. A proposal to create a public utility district coextensive with a county may be placed on the ballot in either of two ways: by the board of county commissioners, or on petition of ten per cent of the qualified electors of the county, based on the total vote cast in the last general county election. The measure must then be submitted to the electorate in the proposed district at the next biennial general election.

If the proposed public utility is to describe a less area than the county, the proposal must be initiated by petition, whereupon the board of county commissioners must fix a date for a hearing on the petition, and must publish the petition for a period of two weeks, together with the date of the hearing. The hearing on the petition may not exceed a period of four weeks, and if it shall then appear to the board of county commissioners that any lands have been improperly included within the proposed district, the board of county commissioners may change and reëstablish the boundary lines of the district to serve the interests of reasonableness and public convenience. Land outside the boundaries described in the petition may not be included except upon the written request of the owners. The board of county commissioners thus has power to reduce but not to increase the size of the proposed district on its own initiative. As in the case of the district coextensive with the county, the proposal must be placed on the ballot at the next biennial election, and submitted to the electorate of the proposed district.

[1] Interview with Mrs. Helen Dahl, Secretary of the District Power Bill Committee. The ratio of free publicity was roughly 3.5 to 1 against the bill. Of a fairly large sampling of clippings, 535 items were neutral, 151 items were favorable, and 538 items were against the bill. It is estimated that more than four-fifths of the newspapers in the state opposed Initiative to the Legislature No. 1. The paid advertising of the privately-owned electrical utilities apparently had much to do in influencing editorial policy against the bill.

The general administration of a public utility district is vested in three public utility district commissioners who are nominated by petition, elected by divisions of the district, and who serve without compensation for a period of three years. The public utility district commission must select and appoint an experienced manager who has indefinite tenure of office, is responsible only to the commission, is removable at their will, is not to aid nor to oppose any candidate for district commissioner, and is to be the active chief administrative officer of the public utility district.

POWERS OF PUBLIC UTILITY DISTRICTS

The important powers of public utility districts may be briefly summarized as follows: (1) To survey hydro-electric power, irrigation, and domestic water supply resources within and without the district, and to make recommendations as to their development and coördination into a systematic whole; (2) to construct, condemn, purchase, lease, and operate electric power, irrigation, and domestic water production and distribution systems, and facilities both within and without the district; in pursuance thereof to take, condemn, purchase, and acquire public and private property, franchises and property rights, including state, county, and school lands, and littoral and water rights; (3) to acquire by purchase, or condemnation and purchase, the right to divert, take, impound, and use the water of any lake or watercourse, whether navigable or non-navigable, privately or publicly-owned, or used by the state, or any subdivision thereof; (4) to buy, sell, regulate, and control the price, use, and distribution of water (domestic or irrigation use) and electric current free from the jurisdiction and control of the director of public works and the division of public utilities; (5) to inter-connect its power system with any other public utility district or municipal corporation, and to sell electric energy to any individual, public utility district, city, or town, and to have the use of public highways, roads, and streets for the purpose of distributing electric energy; (6) to exercise the right of eminent domain to effectuate the foregoing purposes; (7) to contract indebtedness for corporate purposes through the issuance of general obligation or utility bonds at interest rates not to exceed six per cent, and which must not be sold for less than par and accrued interest; (8) to raise revenue by the levy of an annual tax in the district, which must not exceed two mills, exclusive of interest and redemption of general obligation bonds; (9) to establish the boundaries of local assessment districts, and to levy special assessments; and (10) to sue and to be sued.

Significant limitations upon the powers of public utility districts are: (1) No public utility owned by a city or town shall be condemned, and, furthermore, none shall be purchased without submission of the question to the electorate of the utility district. (2) Work and materials costing in excess of $5,000 shall be handled by contract, the bids for which shall be publicly opened and read after thirty days published notice. (3) After consolidation of two or more public utility districts, no property within the former public utility districts shall ever be taxed to pay indebtedness of other districts, parties to the consolidation. An important limitation on the power of the public utility district commissions is that proposals to incur indebtedness, which brings the total indebtedness of the district above one and one-half per cent of the taxable property, must be submitted to, and approved by the

electorate of the district at the next general election.

ARGUMENTS OF OPPOSITION

The most effective argument advanced by the privately-owned utilities and allied interests in opposition to the District Power Bill was that taxes would be increased: first, by the removal of the property of private utilities through purchase, or condemnation and purchase, by the public utility districts; and second, by the creation of a new taxing body, which means increased taxes *per se*.[1] It was alleged also that the public utility district commissions had excessive power to issue bonds, incur indebtedness, and levy taxes without the consent of the people, and that private initiative and investment in the utility field would be destroyed to the detriment of the common welfare. The sacredness of the institution of private property and its manifold benefits to society were repeatedly emphasized. The private utilities stressed the point of being heavy taxpayers, large employers of labor, and the cause of millions of dollars of outside capital being brought into the state annually, and subsequently expended within the state. Passage of the District Power Bill accordingly would mean that the private utilities would no longer have the opportunity of paying the heavy taxes, of giving steady employment to thousands of persons, and of building up the state by bringing in capital from the outside. Eastern Washington was told that Seattle and Tacoma were back of the District Power Bill in order that they might get control of power resources, sites, and lines in that portion of the state at the expense of residents of eastern Washington. Conversely, western Washington, particularly Seattle and Tacoma, was assured that should the District Power Bill pass, public utility districts created under the authority of the bill could, and possibly would, condemn and purchase the important hydro-electric power resources and water rights of the Seattle and Tacoma municipal systems.

[1] *Business Chronicle*, October 13, 1930, pp. 1–7; *Seattle Times*, November 3, 1930.

ARGUMENTS OF PROPONENTS

The proponents of the bill stated that the District Power Bill was simply an enabling act which in and of itself levied no taxes nor created bond issues; that it was simply a grant of authority to the rural districts to enjoy the same privileges now enjoyed by cities should they so desire.[2] It was also asserted that rural residents should have the same right to own and to operate electric light and power systems in order to secure lower rates as city residents. Rate differentials for electric light and power favoring city as against rural consumers were made the subject of considerable emphasis. The opportunity for, and existence of municipal ownership of utilities by cities were cited as reasons for the lower urban rates. Another argument of weight was that the power resources of the state are a public heritage and should be reserved for the people, with their use devoted primarily to service and not to profits. It was alleged that should the very extensive water power resources of Washington be used to develop cheap power, which could be done in the absence of private utility over-capitalization and over-developed profit motives, industries requiring electric power would establish themselves in the state, the electrification of farms would be promoted, and the public at large, and the rural districts in particular would gain greatly. The

[2] Senator C. C. Dill constantly reiterated this argument in his numerous addresses and radio talks favoring the District Power Bill.

evils of private utility light and power monopoly in rural areas, and the desirability of having a "club" to hold over the power companies were stressed.[1] Potential and actual competition as the only effective regulator and guarantee of reasonable rates for electric service was advanced as a telling argument.[2]

REASONS FOR FAVORABLE VOTE ON DISTRICT BILL

The chief reasons that may be assigned in accounting for the passage of the District Power Bill appear to be: first, the hostile attitude of the people of Washington toward monopolies; second, the rather successful refutation of the arguments advanced by the private utilities against the bill; third, the somewhat excessive activity displayed by the private power companies to defeat the bill, which aroused considerable popular suspicion; and, fourth, the apparently successful operation of publicly-owned and operated power systems in the cities.

In answer to the argument of the power companies that taxes would be increased by removal of the property of private utilities from the tax rolls through condemnation and purchase, the proponents of the bill pointed out that the private power companies pay only 1½ per cent of the state taxes, while municipally-owned plants in Washington are paying from 7 per cent to 50 per cent of the total taxes of their cities or towns. It was also alleged that while all the private power and light companies claimed a total value in the state rate-making department of $153,295,958.40, yet these companies paid taxes upon an assessed value of only $16,781,000, and a tax of $1,174,678.29. With a book value of $85,986,311.74, the Puget Sound Power and Light Company in 1929 paid taxes of less than $550,000 on its power and light property to the state and to its political subdivisions.[3] *The Grange News*, in asserting that the power companies were tax dodgers, declared that "by legislative and regulatory maneuvering and control has already wiped off the tax rolls nine tenths of all private power property."

Furthermore, it was said that the power companies were merely tax collectors, and, assuming that all the private power company properties were eliminated from the tax rolls, the effect would be negligible in that one paying $50 a year in taxes would then pay about 75 cents more, and one paying $100 annually in taxes would pay about $1.50 more. Assuming this slight increase in direct tax burden, the rural consumers' gain in securing light and power at around two cents or less per kilowatt hour would greatly outweigh any tax considerations. The marked discrepancy between the power companies' rate bases, or valuations for rate purposes, and their valuations for tax purposes was the subject of considerable public criticism.

As a conclusive answer to the tax arguments of the power companies, the supporters of the District Power Bill stated that the bill itself created no new taxing bodies, removed no private power company property from the tax rolls, would stimulate rather than destroy private initiative and efficiency by making possible the existence of competition in rural areas, and would in no way impair the sacredness of private property, as the fair value of such properties would always be paid

[1] Alleged excessive charges to rural residents for transmission line extensions were emphasized as being a particularly gross abuse of the private utilities' monopolistic power.

[2] Seattle was cited as an example of what actual competition would accomplish in the way of rate reductions for electric service.

[3] *Grange News*, November 5, 1930, p. 15.

even in the event of condemnation and purchase by public utility districts.

ACTIVITIES OF PRIVATE INTERESTS REACT AGAINST THEM

With the approach of the general election which was to decide the District Power Bill issue, the power companies became increasingly active. Many who were lukewarm in their adherence to the bill reasoned, *prima facie*, that the benefits to rural areas from the passage of the bill were probably in correspondence to the opposition—hence the stronger the opposition the greater must be the benefits that the bill would confer, and as a result became ardent supporters. The more or less under-cover methods used by the power companies to develop public opposition to the bill also had a disastrous effect, and apparently did more harm than good.[1] Power company employees were very active in developing opposition to the bill by personal contacts and by distribution of literature. It was the belief of certain interested observers that the private power companies, by their violent and aggressive opposition to the bill, had helped in their own defeat.

The continued representation by the leading proponents of the District Power Bill that public ownership and operation of electrical utilities in Washington has been an outstanding success undoubtedly influenced many to favor the bill. The advantages of lower rates and at the same time utility profits for the general tax fund, or the maintenance of other city functions and departments, or the retirement of the system's outstanding indebtedness were stressed as accruing to those communities which have municipal light and power systems. A salutary effect on the private power companies of the District Power Bill was pointed out even prior to the passage of the bill by attributing to it, whether incorrectly or not, the rate reductions made by the power companies at that time. If the bill was having such a wholesome effect on light and power rates even prior to its passage, would it not secure still more substantial advantages in the future if it were passed? That this argument was effective in developing public opinion favorable to the bill is hardly open to question.

MAJOR SUPPORT FROM RURAL AREAS

Support for the District Power Bill in the election came principally from the rural districts which returned favorable majorities in most instances. Twenty-seven of the thirty-nine counties in Washington polled favorable majorities for the bill. Opposition centered in the cities. Seattle, which owns the largest municipal light and power plant in the state, voted against the bill. The reasons for this somewhat unexpected result apparently lie in the strong support of the Puget Sound Power and Light Company by business and financial interests in the city, the rather unsympathetic attitude of Seattle citizens toward rural problems, an unwillingness to give rural districts any opportunity to shift or to increase taxes, the presence of a large number of power company stockholders and employees in Seattle, and the greater effectiveness of the power company attack on the bill in the

[1] Investigations by the Federal Trade Commission disclosed the fact that the Voters' Information League of Seattle, which professedly made an impartial and unbiased survey of the Seattle Municipal Light Department, had been subsidized by the Puget Sound Power and Light Company to the extent of 73 per cent of its income in 1927, and 89 per cent in 1928. The report of the League on the Seattle Municipal Light System represented that the municipal system was operating at a loss, contrary to its official reports. *Seattle Post Intelligencer*, March 29, 1929.

cities as compared with the rural areas. Apparently the power companies tended to concentrate their efforts to carrying the cities and the more or less neutral voters, feeling that relatively little could be done in the rural districts against a bill so obviously to the advantage of the rural residents.

PROBABLE ADVANTAGES OVER-EMPHASIZED

The probable economic effects of the District Power Bill, and the significance of this essentially rural public ownership movement have been over-emphasized by many, particularly the over-enthusiastic rural residents and the rabid partisans of public ownership and operation. That some public utility districts will be formed by rural consumers under this enabling measure is hardly open to question. Conversely, however, the wholesale formation of public utility districts is not to be expected. The reasons supporting this conclusion are: First, rate reductions for rural light and power service have recently been made, and there are contemplated rate reductions in the near future by the private companies; second, the partial reduction, with the total elimination of installation charges in some instances by the private companies, and a greater willingness to extend service to rural residents, which is of recent origin, will tend to remove the strong antipathy to the private power companies engendered by the high charges for rural line extensions; third, the formation of public utility districts is impossible by the terms of the bill until the general biennial election of November, 1932. This period of two years, which must elapse before public utility districts can be established, will tend to make for a more reasoned collective judgment on the part of rural residents as to the desirability of creating a district in any single instance. Fourth, the policy of the Washington State Grange, which is very influential in the rural areas, is to proceed cautiously and to avoid mistakes. It has been generally urged by the Grange leaders "that it was advisable to go slow and that fair treatment should be accorded to both municipal and private power concerns." It may be said, however, that the private power companies can not afford to minimize or to neglect the warning sounded by the passage of the District Power Bill. Rural areas must be given service at reasonable rates—rates that are based upon reasonably prudent investment costs and not upon inflated valuations. Differential rates between urban and rural residents must be predicated on differential costs of service, and discrimination in rates against rural consumers not justified by differences in costs must be eliminated if the private power companies are to continue serving the rural areas. It is believed that the private power companies in Washington will be guided by reason in their treatment of rural consumers, and will successfully meet, in the main, the threat of competition embodied in the District Power Bill.

THE BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931

BY C. E. RIGHTOR

Chief Accountant, Detroit Bureau of Governmental Research, Inc.

Mr. Rightor's ninth annual tabulation and analysis of city debts.

THE accompanying tabulation reports the total gross bonded indebtedness as at January 1, 1931, of 243 cities in the United States and 14 cities in Canada, with a subdivision of this total into the three general classes by purposes—general public improvements, schools, and utilities; the total sinking fund, with a similar subdivision reported in percentages; the net total bonded debt; the net bonded debt to be retired from taxation (reported as "excluding self-supporting"), total and per capita; and the total gross special assessment debt.

The data are presented in the same manner as the tabulations in previous years. The cities are arranged in the order of population according to the official census of 1930. The census added 23 cities to the number having over 30,000 population. Previous compilations having used the population estimates of the census bureau, the present table gives effect in many cases to a substantial shift in the position of the city, and consequently also in the per capita figure reported. The official census for Canada is not yet published, and the population used for those cities is estimated.

The table makes available in concise form a current statement of the total amount of bonded debt outstanding as a liability against the property and citizens of each city. In this single purpose, however, difficulties arise in attempting a uniform presentation of the data. Many cities report that school bonds are legally an obligation of a separate unit of government, and further, numerous special districts have been created with an independent debt-incurring power. The debt of these districts, or the city's portion, is included when reported, because the same property is back of the debt as is back of other local indebtedness.

The portion of any state indebtedness which may run against the local government has not been included. The city's portion of county debt is usually not included, except in cases of city-county consolidation, and consistent with earlier practice, the amount of temporary loans is not included. Local laws dictate different ways of computing "net" debt and limits for various purposes of issue, but attempt is made herein to present the data in a comparable manner, and to that end local provisions and interpretations are ignored. In all cases, however, it is essential to refer to the footnotes, which indicate deviations from ordinary conditions.

NON-SELF-SUPPORTING DEBT AND SPECIAL ASSESSMENTS

Municipal securities are issued within certain limits set forth in the statutes or charter, and these limits are usually expressed in percentage of the total property, or real property, valuation. The statutes usually provide further that the taxing ability of the city shall

be unlimited for the service of its indebtedness, and thus the faith and credit of the city are involved in any consideration of the debt. Exceptions are sometimes found, however, to such tax liability in the case of funds invested in utilities and other services maintained upon a revenue-producing basis sufficient to pay all debt service. The extent of debt for these special services and the consequent relief to the taxpayers for debt charges, suggests the necessity of reporting specifically the amount of bonded debt which must be retired solely from taxes. The columns "Excluding self-supporting" report such debt.

The manner of financing local improvements varies with cities, but a common practice is the issuance of special assessment bonds, which commonly are construed not to be subject to the general bonding limitations. It is necessary, therefore, in getting an accurate picture of the city's debt, to record special assessment bonds, and this is done in a separate column. This indebtedness, however, is not included in the gross or net total bonded debt reported.

RANGE IN PER CAPITA DEBT

Analysis of the per capita net debt, excluding self-supporting, discloses a wide range. Except for Washington, which has no debt, Rockford is lowest, with a per capita of $14.81, and the highest is Atlantic City, with $386.89.

For group I, the range is from $63.63 for St. Louis to $207.07 for Philadelphia; for group II, Seattle reports $69.91, and Newark, $140.68; for group III, Peoria, $18.60, to Yonkers, $181.46; for group IV, from Rockford to Atlantic City, the figures already given; for group V, Moline, $17.68, to White Plains, $305.12. For the Canadian cities, the lowest per capita city is Winnipeg, $59.87, and the highest is Victoria, $217.62.

Why has Atlantic City a per capita debt of $386, Dearborn $329, White Plains $305, and Greensboro $234; while, on the other hand, Rockford reports a per capita debt of $14, Moline and Auburn $17, and Peoria $18? Atlantic City has an accredited population of 66,000, which in the summer mounts to possibly 366,000, which explains in part its high per capita debt, and of its total, $190 per capita is invested in a revenue-producing but not quite self-supporting auditorium. Of Dearborn's debt, $177 per capita is in its school system, also an unusual condition. The reasons for the divergence among cities merit detailed study, but are beyond the purview of this tabulation.

TREND OF DEBT

The trend of municipal indebtedness is found as a whole to be upward, as reflected in the weighted average of all cities. By "weighted average" is meant the net total debt (excluding self-supporting) divided by the total population, for all cities included in the computation. The weighted average for thirteen cities in group I is $132.02; and for twelve cities exclusive of New York City, is $117.48. This compares with the weighted average for twelve cities (using the official census figures for 1930) of $111.36 for the preceding year.

The weighted average of eleven cities, except Washington, in group II is $103.88; and of ten comparable cities (reporting both years) is $107.12, compared with the 1930 figure of $96.49. The weighted average of 61 cities in group III is $84.34; and of 55 comparable cities, in 1931 and 1930 respectively, is $86.13 and $82.44. For 77 cities reporting in group IV, this average is $84.72; and for 58 compa-

rable cities, for 1931 and 1930 respectively, is $86.11 and $80.71. For 74 cities in group V, the average is $68.22; and for 54 comparable cities in the two years is $65.77 and $60.83.

The weighted average of all cities in the five groups for which returns are complete is $108.40 per capita. Of this number, 189 cities reporting in both 1930 and 1931 show a per capita increase from $95.75 to $100.67. For twelve Canadian cities, the weighted average is $114.92; and for ten comparable cities, the weighted average this year is $116.01, which compares with $106.15 last year.

Reports of *The Bond Buyer* are that sales of state and local bonds for 1930 were nearly $1,400,000,000. It may be assumed that at least 60 per cent of this amount was for cities, and equally certain it is, on the other hand, that maturities during the year are not equal to sales. Of 77 cities in the first three census groups reporting both last year and this, 53 cities had a substantial increase in total gross bonded debt, while the remainder reported reductions. Demands continue upon the cities to make public improvements to be financed by bonds, *The Bond Buyer* reporting authorizations by the voters during 1930 of $626,000,000, compared with $420,000,000 in 1929. A favorable market for municipal securities during the year, with better rates than for some time in the past, has served to accentuate the supply.

In this connection, the report of the Municipal Securities Committee of the Investment Bankers' Association of America, suggesting a sound and economical procedure in the issuance of bonds by municipalities, is of value.[1] This report discusses in detail, possible safeguards through constitutional or legislative enactments, and a general bond law embodying best practices relative to the purpose and form of bonds, the sale of bonds, and in the financial condition and management of the municipality.

These statistics of indebtedness may be compared with the property valuation for any city by reference to the tabulation of tax rate data published in the REVIEW of December, 1930. In that table an estimate of the ratio of assessed to true value is included as a basis for computing actual property values.

This, the ninth annual tabulation, is the result of responses sent to 309 cities in the United States and seventeen cities in Canada, and only the coöperation of the public officials in those cities has made it possible. It is believed that the use of the official census figures for 1930 has added to the value of the compilation this year.

[1] Complete copies of this report are available from the Finance Department of the Chamber of Commerce of the United States, Washington, or "The Bond Buyer," 67 Pearl St., New York, N. Y.

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931

COMPILED BY THE DETROIT BUREAU OF GOVERNMENTAL RESEARCH, INC.

From Data Furnished by Members of the Governmental Research Association, City Officials, and Chambers of Commerce

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP I *Population 500,000 and over*														
1. New York, N. Y.[1]	6,930,446	$519,218,428	$345,039,427	$1,129,120,717	$1,993,378,572	$425,046,431	..	..	..	$1,568,332,141	$1,116,899,034	$161.15	$77,337,000	1
2. Chicago, Ill.[2]	3,376,438	300,258,502	12,500,000	6,785,500	319,544,002	N.	..	..	..	319,544,002	319,544,002	94.64	.....	2
3. Philadelphia, Pa.[3]	1,950,961	527,459,600	69,436,000	.....	596,895,600	132,915,965	83	17	..	463,979,635	403,979,635*	207.07*	N.	3
4. Detroit, Mich.[4]	1,568,662	142,811,667	74,654,620	105,187,914	322,654,301	31,979,858	40	30	30	290,674,443	215,364,806	137.29	18,232,011	4
5. Los Angeles, Calif.[5]	1,238,048	39,832,160	52,020,538	109,918,950	201,771,648	3,961,637	..	..	100	197,810,011	91,852,698	74.19	11,155,000	5
6. Cleveland, Ohio[6]	900,430	85,586,509	27,194,000	32,702,500	145,483,009	18,683,590	70	17	13	126,799,419	96,606,760	101.74	11,989,549	6
7. St. Louis, Mo.	821,960	60,066,000	2,067,000	11,900,000	74,033,000	12,508,515	71	8	21	61,524,485	52,301,398	63.63	N.	7
8. Baltimore, Md.[7]	804,874	125,050,987	25,042,192	33,822,500	183,915,679	29,582,081	87	4	9	154,333,598	123,153,158	153.01	.....	8
9. Boston, Mass.[8]	781,188	86,988,601	8,815,800	54,962,700	150,767,101	41,493,041	61	12	27	109,274,060	66,082,363	84.59	.....	9
10. Pittsburgh, Pa.	669,817	52,467,200	25,075,209	8,847,500	86,389,909	5,783,035	58	33	9	80,606,874	72,298,483	107.93	N.	10
11. San Francisco, Calif.[9]	634,394	28,301,400	14,975,000	98,103,000	141,379,400	N.	..	..	..	141,379,400	74,939,400	118.13	N.	11
12. Milwaukee, Wis.[10]	578,249	39,313,107	9,422,500	71,000	48,806,607	3,788,157	77	22	1	45,018,450	44,963,450	77.76	N.	12
13. Buffalo, N. Y.	573,076	43,470,973	30,180,190	17,449,520	91,100,683	8,199,842	36	..	64	82,900,841	70,715,250	123.40	2,020,429	13
GROUP II *Population 300,000 to 500,000*														14
14. Washington, D. C.	486,869	(No bonded	debt)											
15. Minneapolis, Minn.[11]	464,356	$25,741,199	$22,890,049	$4,436,000	$53,067,248	$7,605,656	94	..	6	$45,461,592	$42,171,908	$90.82	$12,399,087	15
16. New Orleans, La.[12]	458,762	55,668,000	6,393,000	43,721,000	105,782,000	107,389	..	100	..	105,674,611	61,953,611	135.04	11,107,820	16
17. Cincinnati, Ohio[13]	451,160	56,624,873	17,669,500	43,529,230	117,823,603	38,948,249	58	8	34	78,875,354	55,774,349	123.62	5,425,897	17
18. Newark, N. J.	442,337	54,216,185	19,883,200	22,527,000	96,626,385	14,556,996	57	25	18	82,069,389	62,228,136	140.68	9,150,000	18
19. Kansas City, Mo.[14]	399,746	18,546,054	21,877,000	12,250,000	52,673,054	9,368,788	21	63	16	43,304,266	32,543,587	81.41	800,000*	19
20. Seattle, Wash.[15]	365,583	17,580,500	12,091,860	47,949,400	77,621,760	4,113,000	91	9	..	73,508,760	25,559,360	69.91	25,491,677	20
21. Indianapolis, Ind.[16]	364,161	17,694,940	11,481,500	N.	29,176,440	1,582,825	62	38	..	27,593,615	27,593,615	75.77	7,844,304	21
22. Rochester, N. Y.	328,132	24,500,000	13,189,750	12,344,500	50,034,250	7,236,739	24	11	65	42,797,511	35,129,837	107.06	12,098,500	22
23. Jersey City, N. J.[17]	316,715	22,751,000	15,905,500	19,032,254	57,688,754	9,428,480	29	18	53	48,260,274	34,179,864	107.92	2,912,333	23
24. Louisville, Ky.	307,745	22,303,900	8,966,400	1,079,000	32,349,300	5,715,063	81	11	8	26,634,237	26,042,451	84.62	.....	24
25. Portland, Ore.[18]	301,815	26,543,078	10,238,377	20,601,000	57,382,456	7,658,875	47	..	53	49,723,581	33,178,092	109.93	8,094,663	25
GROUP III *Population 100,000 to 300,000*														26
26. Houston, Texas	292,352	(Not	reporting)											
27. Toledo, Ohio	290,718	$29,789,595	$14,329,000	$1,529,000	$45,647,595	$4,698,265	78	22	..	$40,949,329	$39,420,329	$135.59	$2,635,419	27
28. Columbus, Ohio[19]	290,564	21,050,940	10,365,334	10,119,000	41,535,274	15,321,150	78	22	..	26,214,124	16,095,124	55.39	10,906,810	28
29. Denver, Colo.[20]	287,861	500,000	9,788,500	37,600,600	47,889,100	3,071,229	8	..	92	44,817,871	10,053,295	34.92	9,801,200	29
30. Oakland, Calif.[21]	284,063	4,181,463	12,424,000	45,781,000	62,386,463	N.	.	..	..	62,386,463	23,386,463	82.33	.....	30
31. St. Paul, Minn.	271,606	17,849,000	9,546,000	6,995,000	34,390,000	4,258,301	83	..	17	30,131,699	23,847,955	87.80	7,900,000	31

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP III—*Continued* *Population 100,000 to 300,000*														
32. Atlanta, Ga.	270,366	$7,247,000	$6,237,000	$3,425,000	$16,909,000	$1,975,174	47	14	39	$14,933,826	$12,271,411	$45.39	$1,712,900	32
33. Dallas, Texas	260,475	18,062,000	7,822,800	10,227,000	36,111,800	2,164,301	55	15	30	33,947,499	24,379,935	93.51	. . . .	33
34. Birmingham, Ala.[22]	259,678	9,543,000	10,351,000	101,000	19,995,000	569,950	.	.	.	19,425,050	19,324,050	74.42	5,960,000	34
35. Akron, Ohio	255,040	22,472,283	10,600,431	11,794,000	44,866,715	2,283,546	22	16	62	42,583,169	32,220,137	126.33	7,098,021	35
36. Memphis, Tenn.	253,143	16,285,500	6,053,000	5,639,000	27,977,500	1,131,629	56	44	.	26,845,871	21,206,870	83.77	891,000	36
37. Providence, R. I.	252,981	20,089,000	9,450,000	18,500,000	48,039,000	14,069,568	32	15	53	33,969,432	22,995,344	90.90	.....	37
38. San Antonio, Texas	231,542	17,578,000	6,903,250	6,714,000	31,195,250	1,243,940	61	30	9	29,951,310	23,343,521	100.82	.....	38
39. Omaha, Neb.[23]	214,006	14,220,480	9,573,750	10,392,000	34,186,230	4,848,979	6	12	82	29,337,251	22,919,193	107.09	5,925,500	39
40. Syracuse, N. Y.	209,326	14,453,305	9,622,462	5,984,875	30,060,642	N.	..	..	..	30,060,642	24,075,767	115.02	4,592,000	40
41. Dayton, Ohio	200,982	11,453,869	8,308,770	4,634,000	24,396,639	3,002,278	79	..	21	21,394,361	17,384,958	86.50	1,961,039	41
42. Worcester, Mass.	195,311	5,146,000	1,307,000	4,693,200	11,146,200	1,416,585	48	..	52	9,729,615	5,779,288	29.59	N.	42
43. Oklahoma City, Okla.	185,389	13,259,000	7,582,600	6,535,000	27,376,600	7,476,481	42	25	33	19,900,119	15,850,810	85.50	6,298,460	43
44. Richmond, Va.[24]	182,929	24,499,685	6,175,395	7,155,550	37,830,630	9,266,438	72	14	14	28,564,192	22,675,122	123.96	N.	44
45. Youngstown, Ohio	170,002	(Not reporting)												45
46. Grand Rapids, Mich.	168,592	6,007,000	4,420,250	3,626,000	14,053,250	2,549,438	49	..	51	11,503,812	9,167,302	54.37	5,103,900	46
47. Hartford, Conn.	164,072	12,863,000	8,056,599	4,470,000	25,389,599	4,060,462	55	28	17	21,329,137	17,563,533	107.05	.....	47
48. Fort Worth, Texas	163,447	15,746,000	4,869,500*	5,586,000	26,201,500	2,683,995	41	31*	28	23,517,505	18,672,488	114.24	N.	48
49. New Haven, Conn.[22]	162,655	12,844,000	514,000	N.	13,358,000	1,094,489	..	.	..	12,263,511	12,263,511	75.40	N.	49
50. Flint, Mich.	156,492	7,478,000	9,352,500	2,885,000	19,716,000	1,625,118	26	28	46	18,090,882	15,949,572	101.91	3,108,544	50
51. Nashville, Tenn.[25]	153,866	11,605,000	1,712,000	3,646,000	16,963,000	1,058,133	..	..	..	15,904,867	12,258,867	79.67	.....	51
52. Springfield, Mass.	149,900	8,699,600	2,984,900	7,205,000	18,889,500	N.	..	..	..	18,889,500	11,684,500	77.95	.....	52
53. San Diego, Calif.	147,995	4,162,991	5,273,900	11,495,883	20,932,774	N.	..	..	..	20,932,774	20,932,774	141.44	.....	53
54. Bridgeport, Conn.	147,716	10,578,000	4,514,000	N.	15,092,000	N.	..	..	..	15,092,000	15,092,000	102.17	.....	54
55. Scranton, Pa.	143,433	2,535,000	4,970,000	N.	7,505,000	708,955	15	85	..	6,796,045	6,796,045	47.38	956,626	55
56. Des Moines, Ia.	142,559	5,504,111	7,834,500	5,410,000	18,748,611	607,114	..	..	100	18,141,497	13,338,611	93.56	.....	56
57. Long Beach, Calif.[26]	142,032	10,828,184	8,216,607	5,496,000	24,540,791	N.	..	..	..	24,540,791	19,044,791	134.09	.....	57
58. Tulsa, Okla.[27]	141,258	9,846,908	6,816 837	6,560,000	23,223,745	3,025,304	60	40	..	20,198,441	13,638,441	96.55	.....	58
59. Salt Lake City, Utah	140 267	2,825,500	4,909,000*	2,723,000	10,457,500	141,000	100	..	..	10,316,500	7,593,500	54.14	1,047,240	59
60. Paterson, N. J.	138,513	(Not reporting)												60
61. Yonkers, N. Y.	134,646	14,722,946	9,710,650	3,384,750	27,818,346	N.	..	..	..	27,818,346	24,433,596	181.46	2,492,000	61
62. Norfolk, Va.[28]	129,710	18,445,178	6,129,252	15,778,070	40,352,500	8,677,118	67	..	33	31,675,382	18,760,308	144.63	N.	62
63. Jacksonville, Fla.	129,549	(Not reporting)												63
64. Albany, N. Y.[29]	127,413	16,709,395	.....	12,363,000	29,072,395	1,793,918	87	..	13	27,278,476	15,145,735	118.87	3,530,000	64
65. Trenton, N. J.	123,356	(Not reporting)												65
66. Kansas City, Kans.[30]	121,857	3,707,046	2,014,100	6,847,500	12,568,646	2,090,864	10	4	86	10,477,781	5,421,378	44.49	3,700,033	66
67. Chattanooga, Tenn.[22]	119,798	11,406,000	2,314,500	N.	13,720,500	262,350	.	..	..	13,458,150	13,458,150	112.34	650,000	67
68. Camden, N. J.	118,700	11,566,265	4,315,000	1,387,825	17,269,090	2,582,181	67	23	10	14,686,909	13,556,110	114.20	1,950,000	68
69. Erie, Pa.	115,967	6,368,987	4,961,000	1,730,013	13,060,000	743,477	72	..	28	12,316,523	10,793,521	93.07	1,620,540	69
70. Spokane, Wash.	115,514	3,014,000	1,647,000	1,402,000	6,063,000	1,994,656	45	34	21	4,068,344	3,091,950	26.77	1,544,723	70
71. Fall River, Mass.[31]	115,274	5,561,000	2,977,500	623,000	9,161,500	1,361,000	74	..	26	7,800,500	6,822,500	59.18	N.	71
72. Fort Wayne, Ind.	114,946	866,000	3,714,000	602,000	5,182,000	N.	..	..	..	5,182,000	4,580,000	39.84	.....	72

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP III—*Continued* *Population 100,000 to 300,000*														
73. Elizabeth, N. J.[22]	114,589	$1,958,750	$6,313,350	N.	$8,272,100	$599,536	..	..	..	$7,672,564	$7,672,564	$66.96	$6,016,273	73
74. Cambridge, Mass.	113,643	(Not reporting)												74
75. New Bedford, Mass.	112,597	6,488,000	2,895,000	$1,329,000	10,712,000	754,554	100	..	..	9,957,446	8,628,446	76.63	.....	75
76. Reading, Pa.	111,171	4,467,000	5,991,800	902,000	11,360,800	244,868	64	36	..	11,115,932	10,214,432	91.88	218,300	76
77. Wichita, Kans.	111,110	4,317,947	1,652,500	N.	5,970,447	43,030	..	100	..	5,927,417	5,927,417	53.35	3,458,154	77
78. Miami, Fla.	110,637	(Not reporting)												78
79. Tacoma, Wash.[32]	106,817	3,446,000	2,336,000	13,603,495	19,385,495	1,021,901	100	..	..	18,363,594	4,760,099	44.56	2,252,671	79
80. Wilmington, Del.[33]	106,597	5,544,800	1,236,000	6,500,000	13,280,800	780,396	96	..	4	12,500,404	6,028,722	56.55	.....	80
81. Knoxville, Tenn.	105,802	13,286,848	2,505,000	4,887,356	20,679,204	1,130,909	87	..	13	19,548,295	14,804,904	139.93	2,672,003	81
82. Peoria, Ill.	104,969	1,520,000	432,000	N.	1,952,000	N.	..	..	..	1,952,000	1,952,000	18.60	1,937,150	82
83. Canton, Ohio	104,906	6,057,576	6,176,000	1,299,600	13,533,176	2,984,530	96	..	4	10,548,646	9,249,046	88.16	2,753,399	83
84. South Bend, Ind.	104,193	1,380,000	3,847,500	890,000	6,117,500	220,159	91	..	9	5,897,340	5,027,322	48.25	6,959,806	84
85. Somerville, Mass.	103,908	1,028,000	2,356,000	N.	3,384,000	N.	..	..	..	3,384,000	3,384,000	32.57	.....	85
86. El Paso, Texas	102,421	4,226,000	2,967,000	1,699,000	8,892,000	1,362,061	55	34	11	7,529,939	5,982,476	58.42	523,000	86
87. Lynn, Mass.[29]	102,320	6,775,200	.....	1,087,500	7,862,700	570,859	32	..	68	7,291,841	6,593,362	64.47	.....	87
88. Evansville, Ind.	102,249	1,298,300	2,646,000	1,543,000	5,487,300	209,752	100	..	..	4,877,548	3,334,548	32.61	818,230	88
89. Utica, N. Y.	101,740	9,260,897	1,833,599	N.	11,094,496	1,231,989	100	..	..	9,862,507	9,862,507	96.94	1,126,900	89
90. Duluth, Minn.	101,463	4,389,999	4,040,000	3,035,000	11,464,999	93,823	1	99	..	11,371,176	8,336,176	82.16	586,000	90
91. Tampa, Fla.[34]	101,161	7,795,000	4,953,000	2,934,000	15,682,000	1,397,633	68	30	2	14,284,367	11,383,697	112.53	3,598,000	91
92. Gary, Ind.	100,426	2,562,296	3,434,000*	N.	5,996,296	86,565	100	..	..	5,909,731	5,909,731	58.85	5,494,732	92
93. Lowell, Mass.	100,234	3,286,020	1,213,750	189,750	4,689,520	N.	..	..	..	4,689,520	4,499,770	44.89	.....	93
GROUP IV *Population 50,000 to 100,000*														
94. Waterbury, Conn.	99,902	$7,660,000	$1,785,000	$7,484,000	$16,929,000	$139,213	100	..	..	$16,789,786	$9,305,786	$93.15	.....	94
95. Schenectady, N. Y.	95,692	5,727,250	2,930,700	724,000	9,381,950	111,171	97	..	3	9,270,778	8,549,705	89.35	$1,558,599	95
96. Sacramento, Calif.	93,750	5,029,395	5,072,000	3,000,270	13,101,665	N.	..	..	..	13,101,665	9,941,395	106.04	2,365,949	96
97. Allentown, Pa.	92,563	5,047,000	4,608,500	N.	9,655,500	971,015	28	72	..	8,684,484	8,684,484	93.82	724,400	97
98. Bayonne, N. J.	88,979	(Not reporting)												98
99. Wilkes-Barre, Pa.	86,626	3,141,000	886,000	N.	4,027,000	213,096	67	33	..	3,813,903	3,813,903	44.03	452,600	99
100. Rockford, Ill.	85,864	388,400	1,025,000	250,000	1,663,400	191,400	21	53	26	1,472,000	1,272,000	14.81	3,567,065	100
101. Lawrence, Mass.	85,068	2,876,250	1,307,500	252,000	4,435,750	41,211	..	..	100	4,394,538	4,183,750	49.18	409,500	101
102. Savannah, Ga.	85,024	4,361,500	323,000	210,000	4,894,500	247,000	100	..	..	4,647,500	4,437,500	52.19	.....	102
103. Charlotte, N. C.	82,675	4,106,396	1,848,000	1,609,912	7,564,308	685,255	100	..	..	6,879,053	5,269,140	63.73	1,918,690	103
104. Berkeley, Calif.	82,109	914,692	1,897,250	N.	2,811,942	N.	..	..	..	2,811,942	2,811,942	34.25	258,679	104
105. Altoona, Pa.	82,054	(Not reporting)												105
106. Little Rock, Ark.	81,679	2,290,000	2,374,000	N.	4,664,000	35,800	100	..	..	4,628,200	4,628,200	56.66	4,000,000*	106
107. St. Joseph, Mo.	80,935	4,115,850	2,622,000	N.	6,737,850	109,332	10	90	..	6,628,517	6,628,517	81.90	N.	107
108. Saginaw, Mich.	80,715	826,000	1,642,000	3,650,000	6,118,000	841,082	70	8	22	5,276,917	1,814,292	22.48	2,686,000	108
109. Harrisburg, Pa.	80,339	5,136,400	3,294,500	N.	8,430,900	378,453	45	55	..	8,052,447	8,052,447	100.23	.....	109

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP IV—*Continued* *Population 50,000 to 100,000*														
110. Sioux City, Ia.	79,183	$2,179,000	$1,658,000	$50,000	$3,887,000	$585,795	72	28	..	$3,301,205	$3,251,205	$41.06	.....	110
111. Lansing, Mich.[35]	78,397	1,530,000	N.	4,432,700	5,962,700	886,456	..	..	100	5,076,243	1,530,000	19.52	$673,000	111
112. Pawtucket, R. I.[31]	77,149	7,088,000	3,614,000	2,941,000	13,643,000	2,895,702	86	..	14	10,747,297	8,192,422	106.18	.....	112
113. Manchester, N. H.	76,834	3,173,334	1,603,666	110,000	4,887,000	N.	..	..	..	4,887,000	4,777,000	62.17	.....	113
114. Binghamton, N. Y.	76,662	3,365,200	4,394,825	75,000	7,835,025	139,242	100	.	.	7,695,782	7,620,782	99.41	N.	114
115. Shreveport, La.	76,655	4,946,000	1,910,000*	3,502,000	10,358,000	209,329	1	99*	..	10,148,671	6,646,671	86.71	N.	115
116. Pasadena, Calif.[36]	76,086	4,747,638	3,776,455	1,400,662	9,924,755	N.	..	..	..	9,924,755	8,524,093	112.03	3,489,444	116
117. Lincoln, Nebr.[37]	75,933	552,132	4,467,000	335,600	5,354,732	270,949	26	2	72	5,083,783	4,942,921	65.09	2,286,462	117
118. Huntington, W. Va.	75,572	(Not reporting)												118
119. Niagara Falls, N. Y.	75,460	5,875,300	5,837,129	1,887,330	13,599,759	180,444	.	.	100	13,419,304	11,712,419	155.21	N.	119
120. Winston-Salem, N. C.	75,274	(Not reporting)												120
121. East St. Louis, Ill.	74,347	(Not reporting)												121
122. Troy, N. Y.	72,763	3,240,791	1,479,700	1,300,725	6,021,216	N.	..	..	..	6,021,216	4,720,491	64.87	1,965,000	122
123. Quincy, Mass.	71,983	2,556,000	2,654,000	737,000	5,947,000	N.	..	..	..	5,947,000	5,210,000	72.38	137,000	123
124. Springfield, Ill.	71,864	(Not reporting)												124
125. Portland, Me.	70,810	3,508,646	1,957,000	N.	5,465,646	673,644	100	..	..	4,792,001	4,792,001	67.67	.....	125
126. Lakewood, Ohio	70,509	3,237,750	4,104,000	188,500	7,530,250	796,189	100	..	..	6,744,060	6,555,560	92.97	640,749	126
127. Roanoke, Va.	69,206	4,686,000	2,650,000	N.	7,336,000	1,000,342	..	..	.	6,335,658	6,335,658	91.55	.....	127
128. Springfield, Ohio	68,743	3,392,980	1,577,491	550,000	5,520,472	756,912	93	7	..	4,763,559	4,213,559	61.29	1,099,532	128
129. Mobile, Ala.	68,202	2,868,000	1,000,000	1,965,000	5,833,000	1,056,771	98	2	..	4,776,229	2,811,229	41.22	4,643,000	129
130. New Britain Conn.[38]	68,128	2,239,000	3,549,000	1,799,000	7,587,000	681,067	54	10	36	6,905,933	5,355,632	78.61	N.	130
131. East Orange, N. J.	68,020	5,832,500	3,663,245	1,650,000	11,145,745	1,576,657	12	30	58	9,569,087	8,833,371	129.86	2,059,483	131
132. Racine, Wis.	67,542	2,369,000	2,019,000	995,000	5,383,000	N.	..	..	..	5,383,000	4,388,000	64.97	.....	132
133. Johnstown, Pa.	66,993	4,679,000	4,166,000	N.	8,845,000	988,966	52	48	.	7,856,003	7,856,003	117.27	.....	133
134. Cicero, Ill.	66,602	(Not reporting)												134
135. Atlantic City, N. J.	66,198	23,370,000	4,031,000	2,664,000	30,065,000	2,426,020	55	19	26	27,638,979	25,611,347	386.89	.....	135
136. Montgomery, Ala.	66,079	(Not reporting)												136
137. Newton, Mass.	65,276	3,440,000	2,366,000	428,000	6,234,000	773,086	100	..	..	5,460,913	5,032,913	77.10	.....	137
138. Covington, Ky.	65,252	439,700	840,000	2,027,300	3,307,000	10,000	..	100	..	3,297,000	1,269,700	19.46	30,576	138
139. Pontiac, Mich.	64,928	4,120,500	4,267,887	1,692,000	10,080,387	1,059,212	9	84	7	9,021,174	7,409,758	114.12	2,345,000	139
140. Hammond, Ind.	64,560	(Not reporting)												140
141. Topeka, Kans.	64,120	3,365,700	1,931,200	867,600	6,164,500	298,864	42	16	42	5,865,635	4,871,048	75.97	1,722,812	141
142. Oak Park, Ill.	63,982	606,000	.....	136,000	742,000	N.	..	..	..	742,000	606,000	.....	2,250,700	142
143. Brockton, Mass.	63,797	1,709,500	473,750	1,597,300	3,780,550	664,891	..	..	100	3,115,658	2,183,250	34.22	.....	143
144. Evanston, Ill.	63,338	747,000	3,177,000	104,000	4,028,000	N.	..	..	..	4,028,000	3,924,000	61.95	3,099,200	144
145. Passaic, N. J.	62,959	7,622,560	2,309,250	7,749,000	17,680,810	865,153	63	37	..	16,815,657	9,066,657	144.01	.....	145
146. Terre Haute, Ind.	62,819	1,248,000	1,410,000	N.	2,658,000	610,621	91	9	..	2,047,379	2,047,379	32.60	.....	146
147. Glendale, Calif.	62,736	1,717,250	4,703,000	630,900	7,051,150	N.	..	..	..	7,051,150	6,420,250	102.34	2,435,154	147
148. Charleston, S. C.	62,265	4,687,000	543,000*	4,000,000	9,230,000	642,007	15	..	85	8,587,993	5,134,884	82.47	1,883,000	148
149. Wheeling, W. Va.	61,659	1,322,500	20,000	2,000,000	3,342,500	327,934	32	..	68	3,014,566	1,342,500	21.77	N.	149
150. Mount Vernon, N. Y.	61,499	6,209,000	4,809,050	2,368,000	13,386,050	3,165,443	77	..	23	10,220,606	8,576,119	139.45	1,680,000	150

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP IV—*Continued Population 50,000 to 100,000*														
151. Davenport, Ia.	60,751	$ 1,496,800	$1,190,000	N.	$2,686,800	$85,656	38	62	..	$2,601,143	$2,601,143	$42.82	$852,034	151
152. Charleston, W. Va.	60,408	1,314,000	2,294,000	N.	3,608,000	869,753	56	44	..	2,738,247	2,738,247	45.33	.....	152
153. Augusta, Ga.	60,342	(Not reporting)												153
154. Lancaster, Pa.	59,949	1,800,000	3,505,000	.....	5,305,000	676,613	16	84	..	4,628,386	4,628,386	77.20	18,800	154
155. Medford, Mass.	59,714	1,735,200	2,091,800	$403.000	4,230,000	82,019	100	..	..	4,147,980	3,744,980	62.71	.....	155
156. Hoboken, N. J.	59,261	5,931,617	3,612,635	289,000	9,833,252	1,832,107	58	38	4	8,001,145	7,784,539	131.36	21,000	156
157. Chester, Pa.	59,164	4,056.000	1,835,000	N.	5,891,000	1,279,650	39	61	..	4,611,349	4,611,349	77.94	364,900	157
158. Union City, N. J.	58,659	(Not reporting)												158
159. Malden, Mass.	58,036	(Not reporting)												159
160. Madison, Wis.[31]	57,899	2,711,700	2,815,000	487,000	6,013,700	271,816	..	..	..	5,741,884	5,254,884	90.76	.....	160
161. Bethlehem, Pa.	57,892	(Not reporting)												161
162. Beaumont, Texas[39]	57,732	4,542,500	2,466,138	2,123,500	9,132,138	779,535	34	24	42	8,352,603	7,657,603	132.64	N.	162
163. San Jose, Calif.	57,651	1,057,275	2,393.000	N.	3,450,275	N.	..	..	..	3,450.275	3,450,275	59.85	300,000	163
164. Springfield, Mo.	57,527	867,000	1,903,500	N.	2,770,500	125,544	77	23	..	2,644,956	2,644,956	45.98	N.	164
165. Decatur, Ill.	57,510	(Not reporting)												165
166. Irvington, N. J.	56,733	2,638,756	4,266,150	N.	6,904,906	383,319	80	20	..	6.521,586	6.521,586	114.95	1.123.243	166
167. Holyoke, Mass.[46]	56,537	2,810,500	N.	1,986,000	4,796,500	226,500	..	..	100	4,570,000	2,810,500	49.71	.....	167
168. Hamtramck, Mich.	56,268	2,623,800	3,239,000	N.	5,862,800	700,720	55	45	..	5,162,080	5,162,080	91.74	226,291	168
169. Cedar Rapids, Ia.	56,097	2,164,700	1,577,000	890,000	4,631,700	N.	..	..	..	4,631,700	3,741,700	66.70	.....	169
170. York, Pa.	55,254	1,593,000	2,220,000	N.	3,813,000	602,316	73	27	..	3,210,683	3,210,683	58.11	.....	170
171. Jackson, Mich.	55,187	1,942,229	2,425,000	997,375	5,364,604	156,865	71	..	29	5,207,739	4,256,229	77.12	674,500	171
172. Kalamazoo, Mich.	54,786	35,000	2,444,000	39,000	2,518,000	131,211	7	93	..	2,386,788	2,347,788	42.85	1,001,980	172
173. East Chicago, Ind.	54,784	1,028,000	1,629,000	2,408,000	5,065,000	353,899	8	..	92	4,711,101	2,630,288	48.01	1,420,596	173
174. McKeesport, Pa.	54,632	(Not reporting)												174
175. New Rochelle, N. Y.	54,000	4,233,000	5,988,676	N.	10,221,676	359,918	100	..	..	9,861,757	9,861,757	182.62	1,398,421	175
176. Macon, Ga.	53,829	1,056,000	.....	440,000	1,496,000	N.	..	..	..	1,496,000	1,056,000	.....	.....	176
177. Greensboro, N. C.	53,569	11,919,522	933,000	2,950,477	15,803,000	463,578	68	..	32	15,339,422	12,538,618	234.06	5,472,847	177
178. Austin, Texas	53,120	5,125,000	1,277.000	N.	6,402,000	123,821	..	..	..	6.278,178	6,278,178	118.19	N.	178
179. Highland Park, Mich.[31]	52,959	2,668,400	3,915,000	1,252,626	7,836,026	3,052,949	74	26	..	4,783,076	3,530,450	66.66	125,400	179
180. Galveston, Texas	52,938	6,052,270	1,732,230	732,500	8,517,000	365,917	79	15	6	8,151,082	7,442,811	140.59	N.	180
181. Waco, Texas	52,848	2,777,500	1,785.300	2,725,000	7,287,800	1,302,868	45	22	33	5,984,932	3,690,697	69.84	.....	181
182. Fresno, Calif.	52,513	562,000	3,790,000	N.	4,352,000	N.	..	..	..	4,352,000	4,352,000	82.87	.....	182
183. Hamilton, Ohio[41]	52,176	1,352,264	1,408,439	1,324,830	4,085,533	701,126	48	14	38	3,384,407	2,760,703	52.91	720,986	183
184. Durham, N. C.	52,037	(Not reporting)												184
185. Columbia, S. C.	51,581	(Not reporting)												185
186. Cleveland Hts., Ohio	50,945	2,025,772	7,382,000	34,000	9,441,772	891,548	61	39	..	8,550,224	8,550,224	167.83	3,214,872	186
187. Port Arthur, Texas	50,902	(Not reporting)												187
188. Dearborn, Mich.	50,358	9,661,800	9,194,551	2,321,000	21,177,351	2,639,735	75	10	15	18,537,616	16,605,644	329.75	2,896,925	188
189. Kenosha, Wis.	50,262	200,000	2,891,000	244,000	3,335,000	N.	..	..	..	3,335,000	3,091,000	61.55	1,130,000	189
190. Asheville, N. C.	50,193	(Not reporting)												190
191. Pueblo, Colo.[34]	50,096	500,000	1,354,000	1,405,000	3,264,000	154,321	5	23	72	3,109,679	1,816,377	36.25	1,945,300	191

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP V *Population 30,000 to 50,000*														
192. Pittsfield, Mass.	49,677	$955,400	$1,415,000	$699,000	$3,069,400	N.	..	..	..	$3,069,400	$2,370,400	$47.72	.....	192
193. Woonsocket, R. I.	49,376	7,713,000	1,234,000	1,275,000	10,222,000	$1,555,061	80	5	15	8,666,938	7,629,487	154.52	.....	193
194. Haverhill, Mass.	48,710	1,022,000	236,000	287,000	1,545,000	22,000	100	..	..	1,523,000	1,236,000	25.37	.....	194
195. New Castle, Pa.	48,674	970,000	2,380,000	N.	3,350,000	124,924	52	48	..	3,225,076	3,225,076	66.26	$237,327	195
196. Everett, Mass.	48,424	1,189,000	897,500	122,000	2,208,500	361,472	100	..	..	1,847,027	1,725,027	35.62	676,900	196
197. Jackson, Miss.	48,282	(Not reporting)												197
198. Phoenix, Ariz.	48,118	(Not reporting)												198
199. Stockton, Calif.	47,963	4,988,525	1,292,000	N.	6,280,525	N.	..	..	..	6,280,525	6,280,525	130.94	.....	199
200. Brookline, Mass.	47,490	1,186,550	1,007,800	372,500	2,566,850	N.	..	..	..	2,566,850	2,194,350	46.21	.....	200
201. Elmira, N. Y.	47,397	1,690,500	1,024,000	935,000	3,649,500	.....	..	..	..	3,649,500	2,714,500	57.27	.....	201
202. Bay City, Mich.	47,355	205,000	1,885,000	1,853,000	3,943,000	1,155,792	15	72	13	2,787,207	1,164,221	24.58	80,000	202
203. Berwyn, Ill.	47,027	(Not reporting)												203
204. Clifton, N. J.	46,875	3,401,500	2,372,400	4,593,000	10,366,900	138,988	45	55	..	10,227,912	5,634,912	120.21	.....	204
205. Aurora, Ill.	45,589	(Not reporting)												205
206. Muncie, Ind.	46,548	320,678	1,016,000	N.	1,336,678	73,550	19	81	..	1,263,128	1,263,128	27.14	.....	206
207. Stamford, Conn.	46,346	(Not reporting)												207
208. Waterloo, Ia.	46,191	577,678	1,480,500	280,000	2,338,178	117,100	86	11	3	2,221,078	1,944,178	42.09	109,800	208
209. Chelsea, Mass.	45,816	1,736,950	934,500	122,000	2,793,450	467,421	74	26	..	2,326,028	2,204,028	48.11	N.	209
210. Lexington, Ky.	45,736	(Not reporting)												210
211. Williamsport, Pa.	45,729	967,000	1,243,900	N.	2,210,900	323,575	74	26	..	1,887,324	1,887,324	41.27	221,500	211
212. Portsmouth, Va.	45,704	5,335,600	776,000	2,950,000	9,061,600	1,558,641	38	..	62	7,502,959	5,525,824	120.90	N.	212
213. Jamestown, N. Y.[42]	45,155	1,440,538	1,770,000	994,500	4,205,038	103,953	..	..	100	4,101,085	3,210,538	71.10	832,823	213
214. Lorain, Ohio	44,512	1,358,976	1,410,225	493,000	3,262,201	513,786	70	6	24	2,748,414	2,382,038	53.51	1,825,876	214
215. Chicopee, Mass.[43]	43,930	981,400	489,500	614,000	2,084,900	N.	...	...	...	2,084,900	1,470,900	33.48	N.	215
216. Wichita Falls, Texas[44]	43,690	2,767,000	1,912,000	4,875,000	9,554,000	1,003,534	2	1	97	8,550,465	4,650,634	106.45	.....	216
217. Battle Creek, Mich.	43,573	1,942,500	1,148,500	N.	3,091,000	N.	...	...	...	3,091,000	3,091,000	70.94	.....	217
218. Perth Amboy, N. J.[45]	43,516	2,108,000	1,979,000	2,805 000	6,892,000	825,744	15	39	46	6,066,255	3,638,263	83.60	.....	218
219. Salem, Mass.	43,353	758,500	706,500	379,500	1,844,500	N.	...	...	...	1,844,500	1,465,000	33.79	.....	219
220. Amarillo, Texas	43,132	2,748,000	2,087,000	2,032,000	6,903,000	749,367	57	20	23	6,153,632	4,295,030	99.58	.....	220
221. Columbus, Ga.	43,131	(Not reporting)												221
222. Joliet, Ill.	42,993	1,790,500	2,070,000	N.	3,860,500	46,987	100	...	...	3,813,513	3,813,513	88.70	1,325,800	222
223. Cranston, R. I.	42,911	1,127,000	2,339,000	N.	3,466,000	342,801	100	...	...	3,123,198	3,123,198	72.78	.....	223
224. Portsmouth, Ohio	42,560	(Not reporting)												224
225. Lima, Ohio	42,287	3,462,260	827,101	849,000	5,138,362	119,854	99	...	1	5,018,507	4,170,507	98.62	935,471	225
226. Council Bluffs, Ia.	42,048	(Not reporting)												226
227. Montclair, N. J.	42,017	(Not reporting)												227
228. Dubuque, Ia.	41,679	1,312,063	1,204,000	634,500	3,150,563	434,741	16	49	35	2,715,822	2,555,954	61.32	567,400	228
229. Muskegon, Mich.	41,390	1,231,000	2,165,000	372,500	3,768,500	251,087	87	...	13	3,517,412	3,112,648	75.20	941,480	229
230. Warren, Ohio	41,062	1,789,636	2,240,601	759,945	4,790,183	239,728	23	41	36	4,550,454	3,877,275	94.42	748,472	230
231. Kearny, N. J.	40,716	(Not reporting)												231

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP V—*Continued Population 30,000 to 50,000*														
232. Fitchburg, Mass.	40,692	$1,255,000	$393,000	$638,800	$2,286,800	N.	...	...	...	$2,286,800	$1,648,000	$40.50	N.	232
233. Lynchburg, Va.	40,661	2,506,179	1,041,670	1,808,500	5,356,349	$1,430,100	67	...	33	3,926,248	2,594,748	63.81	N.	233
234. St. Petersburg, Fla.[46]	40,425	7,617,600	2,730,750	4,369,000	14,717,350	1,708,030	98	2	...	13,009,319	8,640,319	213.74	$12,505,000	234
235. Poughkeepsie, N. Y.	40,288	1,240,000	1,694,000	796,000	3,730,000	78,603	93	7	...	3,651,397	2,855,397	70.87	1,754,819	235
236. Ogden, Utah	40,272	1,814,000	828,000	967,500	3,609,500	70,525	63	26	11	3,538,974	2,578,974	64.04	1,004,971	236
237. Oshkosh, Wis.	40,108	318,000	599,000	377,000	1,294,000	N.	...	...	...	1,294,000	917,000	22.86	N.	237
238. Anderson, Ind.	39,804	(Not reporting)												238
239. East Cleveland, Ohio	39,667	(Not reporting)												239
240. La Crosse, Wis.	39,614	490,000	659,000	584,000	1,733,000	483,750	...	9	91	1,249,250	1,104,250	27.87	265,022	240
241. Butte, Mont.	39,532	(Not reporting)												241
242. Sheboygan, Wis.	39,251	214,000	575,000	N.	789,000	N.	...	...	...	789,000	789,000	20.10	207,172	242
243. Waltham, Mass.	39,247	(Not reporting)												243
244. Quincy, Ill.	39,241	(Not reporting)												244
245. Meriden, Conn.	38,481	(Not reporting)												245
246. Bloomfield, N. J.	38,077	2,001,000	2,709,500	1,460,000	6,170,500	203,226	66	8	26	5,967,273	4,559,818	119.75	1,873,000	246
247. Rock Island, Ill.	37,953	(Not reporting)												247
248. Cumberland, Md.	37,747	1,575,000	.....	2,244,900	3,819,900	388,135	35	...	65	3,431,765	1,439,084	.....	N.	248
249. San Bernardino, Calif.	37,481	890,666	1,726,000	308,825	2,925,491	N.	...	...	...	2,925,491	2,616,666	69.81	.....	249
250. Green Bay, Wis.	37,415	607,000	1,388,000	900,000	2,895,000	N.	...	...	...	2,895,000	1,995,000	53.32	.....	250
251. Raleigh, N. C.	37,379	(Not reporting)												251
252. Taunton, Mass.[47]	37,355	813,200	892,000	1,255,000	2,960,200	417,273	3	...	97	2,542,926	1,693,735	45.34	.....	252
253. Santa Monica, Calif.	37,146	(Not reporting)												253
254. West New York, N. J.	37,107	(Not reporting)												254
255. Hazleton, Pa.	36,765	2,003,000	1,467,000	N.	3,470,000	177,065	26	74	...	3,292,934	3,292,934	89.57	.....	255
256. Danville, Ill.	36,765	(Not reporting)												256
257. High Point, N. C.[22]	36,745	2,091,000	1,141,000	2,309,000	5,541,000	850,918	...	...	...	4,690,082	2,381,082	64.80	3,026,000	257
258. Auburn, N. Y.	36,652	621,203	34,000	271,000	926,203	39,381	...	...	100	886,822	655,203	17.88	375,335	258
259. Lanesville, Ohio	36,440	626,895	862,883	311,500	1,801,278	363,726	65	35	...	1,437,552	1,126,052	30.90	284,001	259
260. Superior, Wis.	36,113	760,000	1,246,000	N.	2,006,000	121,974	40	60	...	1,884,026	1,884,026	52.17	.....	260
261. Arlington, Mass.	36,094	(Not reporting)												261
262. Norwalk, Conn.	36,019	(Not reporting)												262
263. Elgin, Ill.	35,929	1,085,894	155,000	N.	1,240,894	N.	...	...	...	1,240,894	1,240,894	34.54	1,800,000	263
264. Norristown, Pa.	35,853	(Not reporting)												264
265. White Plains, N. Y.	35,830	5,082,608	5,932,000	1,813,800	12,828,408	81,916	100	...	...	12,746,491	10,932,691	305.12	160,000	265
266. Revere, Mass.	35,680	786,000	1,031,000	281,000	2,098,000	N.	...	...	...	2,098 000	1,817,000	50.92	N.	266
267. Steubenville, Ohio	35,422	240,254	974,750*	77,846	1,292,850	156,021	35	56*	9	1,136,829	1,072,820	30.29	.....	267
268. Orange, N. J.	35,399	2,695,000	1,544,500	380,000	4,619,500	965,937	46	30	24	3,653,562	3,511,538	99.20	N.	268
269. Alameda, Calif.	35,033	243,870	1,472,175	105,205	1,821,250	N.	...	...	...	1,821,250	1,716,045	48.98	.....	269
270. Lewiston, Me.	34,948	710,500	565,000	401,000	1,676,500	225,000	100	...	...	1,451,500	1,050,500	30.05	N.	270
271. Watertown, Mass.	34,913	527,000	1,353,000	102,000	1,982,000	N.	...	...	...	1,982,000	1,880,000	53.85	.....	271
272. Amsterdam, N. Y.	34,817	483,320	2,170,850	77,000	2,731,170	155,007	88	9	3	2,576,062	2,504,036	71.92	.....	272

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP V—*Continued Population 30,000 to 50,000*														
273. West Allis, Wis.	34,671	(Not reporting)												273
274. New Brunswick, N. J.	34,555	$1,994,000	$1,540,000	$1,303,000	$4,837,000	$228,000	100	...	...	$4,609,000	$3,306,000	$95.67	$523,000	274
275. Easton, Pa.	34,468	(Not reporting)												275
276. Plainfield, N. J.	34,422	2,909,000	1,201,000	N.	4,110,000	201,531	...	...	...	3,908,468	3,908,468	113.54	633,000	276
277. Newport News, Va.[31]	34,417	2,413,500	1,015,500	3,174,000	6,603,000	624,868	100	...	...	5,978,131	2,804,131	81.47	N.	277
278. Santa Barbara, Calif.	33,613	1,498,525	1,804,550*	751,750	4,054,825	N.	...	...	...	4,054,825	3,303,075	98.27	.....	278
279. Paducah, Ky.	33,541	(Not reporting)												279
280. Mansfield, Ohio[27]	33,525	928,350	1,196,000	190,000	2,314,350	200,164	100	...	...	2,114,186	1,924,186	57.39	.....	280
281. Waukegan, Ill.	33,499	(Not reporting)												281
282. Norwood, Ohio	33,411	2,046,762	1,323,500	271,950	3,642,212	1,079,706	100	...	...	2,562,506	2,290,556	68.56	125,095	282
283. Sioux Falls, S. Dak.	33,362	940,000	1,382,000	401,000	2,723,000	1,247,139	21	62	17	1,475,860	1,289,339	38.65	N.	283
284. Colorado Springs, Colo.[48]	33,237	787,000	1,100,000	2,563,000	4,450,000	N.	...	...	...	4,450,000	1,887,000	56.77	409,300	284
285. Elkhart, Ind.	32,949	(Not reporting)												285
286. Kokomo, Ind.	32,843	(Not reporting)												286
287. Laredo, Texas	32,618	(Not reporting)												287
288. Tucson, Ariz.[27]	32,506	1,881,783	.....	980,900	2,862,683	489,654	100	...	...	2,373,029	1,392,129	.....	1,425,029	288
289. Richmond, Ind.	32,493	(Not reporting)												289
290. Rome, N. Y.	32,338	592,833	891,500	358,000	1,842,333	N.	...	...	...	1,842,333	1,484,333	45.90	306,494	290
291. Wilmington, N. C.	32,270	2,479,700	.....	801,000	3,280,700	29,832	100	...	...	3,250,867	2,449,867	.....	.....	291
292. Moline, Ill.	32,236	N.	570,000	20,000	590,000	N.	...	...	...	590,000	570,000	17.68	869,600	292
293. Watertown, N. Y.	32,205	1,017,485	1,710,350	984,000	3,711,835	160,375	...	...	...	3,551,460	2,567,460	79.72	226,653	293
294. Muskogee, Okla.	32,026	2,198,093	1,205,000	974,000	4,377,093	2,101,896	42	24	34	2,275,196	2,012,796	62.85	500,000	294
295. Meridian, Miss.	31,954	(Not reporting)												295
296. Pensacola, Fla.	31,579	(Not reporting)												296
297. Nashua, N. H.	31,463	1,328,500	591,500	N.	1,920,000	308,208	83	17	...	1,611,791	1,611,791	51.23	N.	297
298. Fort Smith, Ark.	31,429	(Not reporting)												298
299. Port Huron, Mich.	31,361	1,003,933	648,000	278,000	1,929,933	93,844	100	...	...	1,836,089	1,558,089	49.68	621,739	299
300. Newburgh, N. Y.	31,275	686,995	1,228,536	760,731	2,676,262	N.	...	...	...	2,676,262	1,915,531	61.25	.....	300
301. Marion, Ohio	31,084	(Not reporting)												301
302. Bloomington, Ill.	30,930	275,000	.....	N.	275,000	50,250	100	...	...	224,750	224,750	.....	297,500	302
303. Hagerstown, Md.	30,861	(Not reporting)												303
304. Bellingham, Wash.	30,823	587,000	96,000	423,000	1,106,000	64,354	...	100	...	1,041,646	618,646	20.07	765,867	304
305. Baton Rouge, La.	30,729	(Not reporting)												305
306. Newark, Ohio	30,596	732,500	980,850	397,000	2,110,350	199,362	43	...	57	1,910,987	1,626,634	53.16	218,000	306
307. Everett, Wash.	30,567	676,500	396,000	3,319,500	4,392,000	764,775	60	2	38	3,627,225	1,935,788	63.33	515,185	307
308. Santa Ana, Calif.	30,322	633,960	1,987,100	204,100	2,825,160	119,575	33	56	11	2,705,584	2,514,553	82.93	1,182,612	308
309. Alton, Ill.	30,151	(Not reporting)												309

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Concluded*

City	Population 1929 Estimate	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
CANADIAN CITIES														1
1. Montreal, Que.[49]	790,000	$150,674,505	.....	$40,986,923	$191,661,428	$18,940,943	...	...	...	$172,720,485	$131,733,561	.....	.....	2
2. Toronto, Ont.[50]	621,596	49,745,010	$27,135,152	91,973,558	168,853,720	24,052,155	30	20	50	144,801,565	64,817,552	$104.28	$15,142,290	3
3. Vancouver, B. C.	240,421	40,462,357	10,458,176	6,403,433	57,413,966	12,351,598	71	17	12	45,062,368	40,162,354	167.05	7,575,384	4
4. Winnipeg, Man.[51]	209,286	9,808,827	9,125,000	32,716,331	51,650,158	15,328,999	34	8	58	36,321,159	12,529,582	59.87	13,063,977	5
5. Hamilton, Ont.[52]	144,525	12,360,251	5,563,192	8,033,888	25,957,331	4,365,512	40	14	46	21,591,819	15,566,853	107.71	2,075,476	6
6. Quebec, Que.	137,000	18,412,949	5,354,000	5,810,525	29,577,474	2,381,035	53	37	10	27,196,439	21,636,080	157.92	.....	7
7. Ottawa, Ont.[53]	125,496	8,508,238	4,076,395	4,819,951	17,404,584	5,666,355	53	17	30	11,738,229	8,616,141	68.66	4,042,246	8
8. Calgary, Alta.[54]	78,000	10,843,067	3,224,283	11,352,995	25,420,345	8,491,036	50	...	50	16,929,309	9,841,635	126.17	5,480,485	9
9. Edmonton, Alta.	74,298	(Not	reporting)											10
10. London, Ont.[55]	71,310	3,411,303	3,005,521	5,296,214	11,713,038	1,702,512	33	26	41	10,010,526	5,410,008	75.87	1,928,560	11
11. Windsor, Ont.[56]	70,031	7,233,744	3,541,239	3,413,685	14,188,668	184,341	...	61	39	14,004,327	10,663,022	152.26	.....	12
12. Halifax, N. S.	65,000	(Not	reporting)											13
13. St. John, N. B.[57]	55,000	3,436,618	1,753,500	4,654,286	9,844,404	3,917,822	86	11	3	5,926,582	.....	.....	.....	14
14. Regina, Sask.[58]	55,000	6,889,819	3,087,433	7,471,785	17,449,037	4,823,431	42	15	43	12,625,606	7,246,159	131.74	2,396,395	15
15. Saskatoon, Sask.[59]	45,000	4,684,390	2,787,182	4,835,880	12,307,452	3,326,966	40	11	49	8,980,486	5,787,684	128.62	2,507,464	16
16. Victoria, B. C.	42,000	10,604,938	1,354,949	3,834,657	15,794,544	3,414,198	57	26	17	12,380,346	9,140,398	217.62	83,672	17
17. Three Rivers, Que.	39,000	(Not	reporting)											

*=Estimated. N.=None.

[1] *New York City.* Gross debt excludes $57,130,000 corporate stock notes for various purposes; utility bonds include rapid transit, $636,109,888, and docks, $166,862,500; sinking funds not separately reported.

[2] *Chicago.* General bonds include sanitary district bonds, $96,379,902, 86 per cent of the total debt of the district, based upon the proportion of taxable values within the city. Debt reported does not include county, $33,790,000, or forest preserve district (co-extensive with county) bonds, $49,900,000; 83.88 per cent of the taxable values of the county are within the city. Utility bonds include street lighting, $6,490,000.

[3] *Philadelphia.* Includes city and county; general bonds include utility debt, not separated. Self-supporting debt is estimated.

[4] *Detroit.* Utility bonds include street railway, $27,687,000, and lighting, $20,894,000; in addition to the debt there is a street railway purchase contract for $8,580,000.

[5] *Los Angeles.* Debt reported excludes flood control, $9,195,069, based upon the proportion of 61.3 per cent of the flood control district valuation in the city; utility bonds include light and power, $38,104,000, and harbor, $23,263,000; school bonds are issued by the county, amount reported being the city's prorated share based upon valuation. 86.7 per cent of total.

[6] *Cleveland.* Utility bonds include light and power, $6,589,000.

[7] *Baltimore.* Utility bonds include Western Maryland Railroad, $1,875,000.

[8] *Boston.* Utility bonds include rapid transit, $54,424,700. County debt, $1,889,000, which is paid by the city, not included.

[9] *San Francisco.* Utility bonds include street railway, $2,603,000.

[10] *Milwaukee.* Debt does not include metropolitan sewerage commission, $21,432,000, 79.47 per cent of which is paid by the city.

[11] *Minneapolis.* Utility bonds include light and power, $50,000, market, $23,000, and river terminal $715,000; general sinking fund includes school.

[12] *New Orleans.* General bonds include water, sewerage and drainage, $8,977,000; utility bonds include Public Belt Railroad, $3,000,000, and port, $40,721,000. Debt reported does not include levee district bonds, $11,754,000.

[13] *Cincinnati.* Utility bonds include rapid transit, $6,100,000, airport, $940,000, and Cincinnati Southern Railway, $21,832,000; annual rental revenues of the railway are in excess of its debt charges, being equivalent to debt charges on $10,000,000 general four per cent bonds.

[14] *Kansas City.* Special assessment debt reported is estimated amount of assessment certificates and tax bills; secured by benefited property only.

[15] *Seattle.* Utility bonds include light and power, $30,977,000, and street railway, $10,038,400.

[16] *Indianapolis.* General bonds include park district, $3,223,720, and sanitation, $3,511,000.

[17] *Jersey City.* Utility bonds include docks, $251,000. Debt reported does not include tax revenue and emergency bonds, $16,104,262, with sinking fund of $6,285,007.

[18] *Portland.* General bonds include dock, $8,109,800, and city's portion (93.61 per cent) of port, $4,221,000; utility bonds include golf, $127,000; school bonds, are 97.36 per cent of total as city's portion. The city's portion (91.31 per cent) of county debt, $11,486,798, is not included.

[19] *Columbus.* Utility bonds include light and power, $2,022,000; general sinking fund includes utility and special assessment.

[20] *Denver.* Includes city and county; utility bonds include city's portion of Moffat tunnel, $15,470,000.

[21] *Oakland.* Utility bonds include harbor, $6,781,000, and city's portion of water district bonds.

[22] *Birmingham, New Haven, Chattanooga, Elizabeth, High Point.* Sinking funds not separated.

[23] *Omaha.* Utility bonds include gas, $3,500,000.

[24] *Richmond.* Utility bonds include gas, $3,349,550, and light and power, $300,000.

[25] *Nashville.* Utility bonds include light and power, $211,000; sinking fund not separated.

[26] *Long Beach.* Utility bonds include gas, $3,856,000.

[27] *Tulsa, Mansfield, Tucson.* General sinking fund includes utility.

[28] *Norfolk.* Utility bonds include dock and terminal, $6,111,348; general sinking fund includes school.

[29] *Albany, Lynn.* General debt and sinking fund includes school.

[30] *Kansas City, Kansas.* Utility bonds include light and power, $2,795,500.

[31] *Fall River, Pawtucket, Madison, Highland Park, Newport News.* General sinking fund includes school.

[32] *Tacoma.* Utility bonds include light and power, $9,292,000, street railway, $348,000, and garbage, $97,000.

[33] *Wilmington.* Utility bonds include harbor, $2,650,000; general sinking fund includes school.

[34] *Tampa, Pueblo.* School debt reported is for entire school district of which a large portion is in the city.

[35] *Lansing.* Utility bonds include light and power, $3,222,700.

[36] *Pasadena.* Utility bonds include light and power, $453,600.

[37] *Lincoln.* Utility bonds include commercial light, $100,000, and street light, $100,000; school debt reported is for a district larger than the city.

[38] *New Britain.* Utility bonds include subway for wires, $439,000.

[39] *Beaumont.* Utility bonds include wharves, $1,223,500.

[40] *Holyoke.* Utility bonds include light and power, $1,283,000, and Holyoke and Westfield Railroad, $163,000; the utility sinking fund is Holyoke and Westfield Railroad.

[41] *Hamilton.* Utility bonds include light and power, $682,500, and gas, $305,830.

[42] *Jamestown.* Utility bonds include light and power, $155,000, and market, $28,000.

[43] *Chicopee.* Utility bonds include light and power, $50,500.

[44] *Wichita Falls.* Utility bonds include water improvement district, $4,083,000 not self-supporting.

[45] *Perth Amboy.* Utility bonds include light and power, $155,000.

[46] *St. Petersburg.* Utility bonds include light and power, $535,000, street railway, $1,175,000, and gas $1,073,000.

[47] *Taunton.* Utility bonds include light and power, $726,000, and street railway, $9,000.

[48] *Colorado Springs.* Utility bonds include light and power, $1,658,000; school debt reported is for district larger than the city.

Canadian Cities

[49] *Montreal.* General bonds include schools, sinking funds not separated.

[50] *Toronto.* Utility bonds include light and power, $27,149,445, street railway, $35,881,900, abattoir, $304,000, radials, $2,422,631, exhibition buildings, $3,202,739, ferries, $132,000, royal winter fair, $1,821,190 and housing, $554,000; school debt includes separate (Roman Catholic) school board, $2,315,000.

[51] *Winnipeg.* Utility bonds include light and power, $21,727,000, steam heating, $1,450,000, and housing $2,650,000.

[52] *Hamilton.* Utility bonds include light and power, $3,598,576.

[53] *Ottawa.* Utility bonds include light and power, $942,421.

[54] *Calgary.* Utility bonds include light and power, $3,037,871, street railway, $2,815,096, and hospitals $325,095.

[55] *London.* Data as at January 1, 1930; utility bonds include light and power, $1,476,900, electric railway, $1,638,500, and housing, $694,364.

[56] *Windsor.* Utility bonds include light and power, $1,374,000, and housing ,$1,090,000.

[57] *St. John.* Utility bonds include light and power, $758,639, ferry, $234,800, market, $70,000, and housing, $35,427; harbor bonds, $1,467,164, have been assumed by the Dominion government.

[58] *Regina.* Utility bonds include light and power, $2,129,753, and street railway, $1,946,018.

[59] *Saskatoon.* Utility bonds include light and power, $2,181,447, and street railway, $1,400,419.

RECENT BOOKS REVIEWED

PUBLIC REPORTING. National Committee on Municipal Reporting. New York: Municipal Administration Service, 1931. 158 pp. 75 cents.

This monograph is the product of a coöperative inquiry into American municipal reporting by the National Committee on Municipal Reporting, C. O. Sherrill, chairman. The national committee composed of representatives of the American Municipal Association, the Governmental Research Association, the International City Managers' Association and the National Municipal League pursued its labors for two years. The result is a comprehensive series of recommendations for the drafting of municipal reports.

The material is divided into three parts. In Part I the committee calls attention to the numerous counts against current public reporting. Emphasis is placed on the need for timely news releases, as well as annual or periodic reports. The need for the establishment of definite reporting agencies in municipal government rather than the haphazard practice of loading the task on any available official is stressed. Part I also contains a general discussion of proper subject matter of reports and the various methods of presenting this material.

Part II proposes an outline for the annual report. A municipality reporting in accordance with the specifications of the committee would first indicate clearly the part played by the average citizen in the municipal job. Secondly, it would delineate the part of the council, the executive, the courts, and the staff agencies in general administration. Thirdly, the city would present a record of functional services, tabulating the measurable accomplishments of the line departments. Finally, such a model report would discuss pending municipal projects, plans and financing for the city of tomorrow. The committee emphasizes the point that this is merely a suggested outline of immediate practicality for cities following its reporting specifications. Clearly the recommendations of the national committee would give our municipal reports form and coherence rather than mere substance between two covers.

Part III contains, in my judgment, the most important contribution. This lays down detailed specifications for departmental and functional reports. The committee has numerous and valuable suggestions as to subject matter and form of the reports from Alpha to Omega, from the city council to the bureaus of the line departments. The specifications are grouped under six major heads, general government, staff agencies, educational functions, social welfare, public safety, and public works and utility service. These are again divided into specific activities with minute suggestions for each. The specifications for the individual departmental reports call for their illustration by curve line graphs, ratio charts, bar charts, and pie charts, as well as by non-mathematical charts, and classification charts. Throughout possible tabulations of unit costs for individual activities are outlined.

Municipal officials will find among the committee's recommendations methods for measuring all that is measurable in municipal administration. This manual should stimulate actual public reporting among American municipalities. Progressive cities will not hesitate to utilize its findings.

A. W. BROMAGE.

❋

FINANCIAL ASPECTS OF SUBDIVISION DEVELOPMENT. By A. D. Theobald. Chicago: The Institute for Economic Research, Research Monograph No. 3, 1930. 88 pp. $1.50.

This study of the financial problem in the development and sale of the subdivision is part of a more general study of the subdivision business sponsored by the Institute for Economic Research. Other monographs will be published dealing with subdivision merchandising practices and public control of subdivision development.

Mr. Theobald's monograph discusses credit agencies, aids in securing capital, forms of operating organization, financing the installation of improvements, merchandising costs and principles in the pricing of lots. There is much of interest and value to the city planner and economist, as well as to the home builder and real-

tor, in this carefully prepared and authoritative monograph.

High financing and merchandising costs are attributed in large measure to the instability of the subdivision business and the chronic oversupply of land subdivided into lots but left by the promoters in an unusable condition. Recurrent booms and depressions mark the subdivision business. The most recent boom period took place from 1924 to 1927.

The present depression should offer a good opportunity to reorganize subdivision practices and public control so as to prevent a recurrence of another subdivision boom with its accompanying excesses.

The author points out that the present inactive market emphasizes the fact that a stable business cannot be built by depending on the speculative purchaser. Complete development of land into a new community of homes is coming to be recognized as the only desirable type of subdivision operation. The appeal is to the prospective home owner, instead of to the lot speculator. With this trend toward complete development it is becoming apparent that substantial economies are obtainable through production of larger units and that the larger tracts subdivided emphasize the importance of the careful physical planning of the land itself.

Some way must be found by which home sites needed for normal urban growth may be provided without the speculation, over-supply and haphazard, sprawling development that is now almost universal. These home sites should not only be fully improved and ready for actual home building, but should be designed as a part of a self-contained residence neighborhood.

ROBERT WHITTEN.

✻

DETROIT RULES ITSELF. By William P. Lovett. Boston: The Gorham Press, 1930. 235 pp. $2.00.

Can a modern city be trusted to govern itself?

With striking optimism W. P. Lovett answers this question in the affirmative in his book, *Detroit Rules Itself*. He answers it in terms of the experiences of Detroit, where for fourteen years he has been secretary of the Detroit Citizens' League, a position which gives him unusual opportunity to observe and interpret political events.

An early chapter, "Detroit under the Dictators," gives a picture of the corruption and misrule that characterized the government of Detroit prior to the various reforms that are detailed in successive chapters and form the general topic of the book.

The principal of these reforms are the following:

The reorganization of the election system by state legislative action in 1915 and by referendum in 1916. This was the beginning of the end of corrupt government by providing honesty in elections.

The demolishing of the political power of the saloon and the underworld by the passage of the prohibition amendment to the state constitution.

School board reorganization culminating in 1917, changing from a board of twenty-one, elected by wards, to seven, elected at large.

Adoption of a modern city charter by referendum in 1918, providing for a mayor and a council of nine elected at large, with centralization of responsibility and control.

The taking over of the ownership of the Detroit United Railway by the city in 1922, freeing the government of the city from an influence that had long corrupted its political activities.

The establishment of nonpartisanship in city government, thus freeing the city from the baneful effects of manipulation by state and national party politics.

In the recital of these events Hazen S. Pingree, James Couzens, John C. Lodge, Henry M. Leland and Pliny W. Marsh stand out strongly, together with the part played by the Detroit Citizens' League and the Bureau of Government Research.

It is a readable book and the story is interestingly and even graphically told.

As we read the book and re-read it, we ask ourselves whether the author might not have marshalled his facts in somewhat more orderly fashion, for we find ourselves compelled to piece the story together from fragments in various chapters.

Students of city government and particularly those who are engaged in the practical solution of municipal problems will do well to read it, for it gives a picture of definite progress in one American city, and shows the effective part that can be played by civic groups well organized and possessing initiative, courage and practical sense. To these the book should be an encouragement.

LEO TIEFENTHALER.

MASTER OF MANHATTAN: The Life of Richard Croker. By Lothrop Stoddard. New York: Longmans, Green & Co. $3.50.

This may appropriately be called a literary life of the boss or master or leader of Manhattan from 1886 to 1902. I use three alternatives to describe three aspects of one who controls the political destinies of a community. The enemy or opponent of such a man uses the first term, because it carries with it a certain amount of obloquy. The literary student who is also something of a reformer, speaks of the "master" as involving obloquy, and at the time a recognition of the political power involved in the sway or control of a man who guides or moulds the destinies of a community; while "leader" is alike the term used by the admirer and by the more or less cynical student of political conditions.

Croker will be longest remembered no doubt for his response to Frank Moss, when conducting one of the perennial investigations of the political affairs of New York City, and especially of its dominant political organization: Tammany Hall. In 1899, the newspapers of America fairly rocked to a remark made by the most prominent professional politician of the day. Croker, leader of Tammany Hall, while being cross-examined in the celebrated Lexow vice inquiry, was asked: "Then you are working for your own pocket?" and he replied: "All the time, the same as you."

There was really nothing new about a politician working for his own pocket, but the public was startled by the brutally frank admission. Brutal frankness was the outstanding characteristic of Croker and this is graphically and emphatically brought out by Stoddard, who gives us not only a striking picture of this successful politician, who lived to enjoy to the full the fruits of his control, but manages to preach a political homily in good literary style.

The present generation forgets the cynical frankness of the "gay nineties" the motto of which was furnished by Croker's district attorney, Colonel Asa Bird Gardiner, "To Hell with Reform," and the phalanxes of young men in snake-like formation who celebrated Van Wyck's election and Croker's triumphant return to supreme power after the low administration by chanting endlessly the refrain: "Well, well, well. Reform has gone to Hell!"

In Stoddard's volume, which is fascinatingly written, we have not only an account of the principal political events of Croker's life, which was to be expected, but of the New York of his day and an insight into the philosophy of his career. Being a literary study rather than a municipal research report, one must expect slips, as when the author speaks of "honest John" Kelly polling nearly 100,000 votes in the Cornell-Robinson contest for Governor, whereas the vote was Cornell 418,567; Robinson 375,790; and Kelly 77,566. Nevertheless, the picture is a fair one and on the whole an accurate one. It is to be hoped that more literary men will turn their attention to politics and to political factors, so that the general public will be attracted to conditions which now, as in the days of Croker, should receive far more attention than they do.

CLINTON ROGERS WOODRUFF.

❋

FORCES AFFECTING MUNICIPALLY OWNED ELECTRIC PLANTS IN WISCONSIN. By E. Orth Malott. Chicago: The Institute for Research in Land Economics and Public Utilities. 101 pp. $1.50

Municipal ownership of utilities has been the subject of more controversial opinion, based on a smaller amount of unbiased data, than any other function of municipal administration. For this reason Dr. Malott's monograph, the second of a series on this subject undertaken by members of the Institute for Research in Land Economics and Public Utilities, is especially timely. Before accurate conclusions can be drawn, as to the accomplishments of municipal ownership, a number of intensive studies of this type is greatly needed.

The book deals primarily with the legal basis of municipal ownership, with commission regulation and with the numerical trend of municipal plants in Wisconsin. It gives attention also to the operating experience and capital accounts of municipal plants in that state.

In view of the continuing legal handicaps to the effective development of municipal ownership of light and power the arrangement of cases to show the change from a strict to a broad interpretation of municipal legal authority is especially important. As Dr. Malott points out, legal, financial and operating handicaps are intimately related and the removal of legal-financial limitations is essential to technological progress. These obstacles to effective operation have been, in part, removed in Wisconsin, but there remains the handicap of a lack of specific authority for the formation of large, interconnected public systems. This limitation, it might be added, will disappear if the program of legislation sponsored by Governor La Follette is adopted.

In view of the fact that state regulation of municipally-owned utilities has been established in only a few states and that its desirability is subject to much controversy, Dr. Malott's conclusions are entitled to careful consideration. For small plants especially, he maintains, the Wisconsin Railroad Commission has partially supplied an essential element, that of foresighted management. By aid in accounting, finance, rate-making and engineering it has performed a function similar to that which management companies have performed for small private plants.

This study, while it will not meet with the enthusiastic approval of either ardent advocates or opponents of the policy of municipal ownership of utilities, provides very valuable material for serious students of this increasingly important function of municipal government.

FREDERICK L. BIRD.

SPECIAL REPORT ON MUNICIPAL ACCOUNTS. By the State Comptroller, State of New York. March 27, 1930. XIII, 278 pp.

This report covers the work of the Bureau of Municipal Accounts of the Department of Audit and Control of the State of New York for the calendar year 1929. It is a highly significant document; one that should provoke the attention of states and municipalities reluctant to see the advantages and the possibilities of state administrative supervision and examination of local finances.

Part I of the report summarizes the activities of the bureau for the year 1929. Unfortunately, in the opinion of the reviewer, the accounting methods and the financial operations of the jurisdictions enumerated are by the terms of the law exempt from the bureau's supervision. During the year 1929 the bureau completed 185 examinations and audits of local finances. At the time the report was issued 35 examinations and audits of municipalities were in process. Also during the year, the Bureau made installations of uniform systems of accounts in five counties, two cities and ten villages.

A new activity of the bureau is the financial supervision of county and town highways. Under the Highway Law, the state comptroller determines the amount of state aid. During the year the bureau examined the highway accounts in 782 towns.

The bureau comments on the results of its activities as follows:

> It is gratifying to report that the examination activities of the Bureau are increasing constantly, to the end that a larger number of examinations is made each year than in the preceding year. . .
>
> The activities of the bureau . . . are mainly educational. However, it should be noted that recoveries to municipalities of funds illegally expended or embezzled amount to considerably over one-half million dollars. In one town, as a result of an examination, $600,000 was returned to the town by a contractor, and an examination of the fiscal affairs of a county resulted in the return of about $11,000. Numerous other recoveries in all classes of municipalities have been reported. In connection therewith, it should be noted that unauthorized payments involving several thousand dollars were reported by examiners, resulting in the correction of illegal and accounting errors, concerning which no moral turpitude could be charged. Probably the most beneficial result of examinations made cannot be measured in dollars and cents, as the deterrent effect is incapable of measurement.
>
> The Uniform System of Accounts as prescribed and installed in all classes of municipalities is operating with greater facility than previously, and it is probably but a question of a relatively short time when practically every municipality in the State will be conducting its fiscal affairs according to the system of accounts prescribed by the state comptroller.

Part II, which constitutes the main body of the report, presents the statistical tables compiled from the reports of the local fiscal officers. Forty-one tables are included. The municipalities are grouped as follows: (1) counties, (2) group I cities, having a population of 50,000 to 250,000, (3) group II cities, having a population less than 50,000, (4) villages, and (5) towns. The items tabulated are classified under revenue receipts, non-revenue receipts, governmental cost payments, and non-governmental cost payments. The final section of Part II presents tables on municipal indebtedness. The volume is well indexed. The charts included are an excellent and interesting feature of the report.

MARTIN L. FAUST.

THE QUEST FOR SOCIAL JUSTICE, 1898–1914. By Harold Underwood Faulkner. New York: Macmillan, 1931. xvii, 390 pp. $4.00

This volume is the eleventh in the series, "A History of American Life," editors, Arthur M. Schleisinger and Dixon Ryan Fox. The author is professor of history at Smith. His conception of "social justice" results in a very comprehensive survey of human relations. His sketches are confined to the period extending from 1898 to 1914. In the course of thirteen chapters—

the fourteenth chapter being a critical essay on authorities—he traces important developments in politics, industry, religion, literature and journalism, education, science, art, music, drama, social and economic legislation, health, family life, and child welfare. The style is readable, the treatment logical, and the appraisals fair. The book itself lends harmony to the excellent series of which it is a part.

EARL E. CRECRAFT.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Housing.—London County Council, 1931. 116 pp. The clerk of the council has here brought together material, with copious illustrations, on the housing activities of the council for the years 1928, 1929 and 1930, as a basis for a general review of the situation and a determination of the future program. Immediately after the war the acute shortage compelled the county council to provide many homes, quickly, and this was done by the development of large cottage estates in the suburban districts. In 1928, the council was impressed by the diminishing reserve of working-class dwelling accommodations in the central districts owing to demolition and adaptation for business or industrial purposes. It set about to remedy this by the building of new block dwellings near the central area and the clearance of unhealthy areas, with the construction of new dwellings to care for those displaced. The cottage estates are provided with schools, medical centers and playgrounds, and the council grants leases to refreshment stands. The council has already provided 51,500 houses or flats, with an estimated population of 230,000. More than 10,000 others have been begun or arranged for. The capital expenditure of the London County Council on housing has amounted to nearly $178,000,000. (Apply to P. S. King & Son, 14 Great Smith Street, Westminster S. W. 1, London. Price 2s 6d.)

✽

City Civil Service Law.—National Civil Service Reform League, 1931. 23 pp. This draft of a civil service law applicable to cities, has been prepared with the coöperation of persons in the public personnel field against a background of the history of the merit system. Alternative drafts are given for some of the provisions, so that it may be used in relation to the readiness of the community undertaking the reorganization of its system of public employment. (Apply to the Secretary, National Civil Service Reform League, 521 Fifth Avenue, New York City.)

✽

Retirement of the Bonded Debt of the City of Wilmington.—Taxpayers' Research League of Delaware, 1931. 18 pp. At the request of the finance committee of the city council the Taxpayers' Research League of Delaware considered the proposed plan for retirement of the bonded indebtedness of the city. This report includes the plan proposed and the Research League's revision of the plan. One moot point is the rate of interest probable on the investment of the sinking fund. Of particular importance in this connection are sections on the practice of insurance companies, the long-time trend of the yield of municipal and other tax-exempt bonds, and the judgment of authorities in public finance. It is on the basis of this that changes are suggested in the plan as first proposed. (Apply to Taxpayers' Research League of Delaware, Wilmington, Delaware.)

✽

Business Taxes.—Governor's Taxation Committee, Columbus, Ohio, 1931. 39 pp. The Committee on Research presents as its fifth preliminary report important facts on business taxes. On the basis of income earned by incorporated and unincorporated business in Ohio in 1928 and 1929, tax returns are estimated at the several new rates proposed. A bill has also been proposed to revise incorporation fees and on the basis of past record, probable return for this is calculated. Part II of the Report consists in summaries of tax legislation affecting manufacturing and mercantile corporations in sixteen other states. Tables are included. (Apply to Committee of Research of the Governor's Taxation Committee, Southern Hotel, Columbus, Ohio.)

Report of the Commission to Investigate Prison Administration and Construction.—New York, 1931. 4 Sections, 332 pp. Appointed by the legislature, the commission devoted six months to its work and reported that in view of the fact that 92 per cent of the state's prisoners take up their lives outside in a comparatively short time after their imprisonment, they should be fitted to become useful members of society, and that this can best be done by considering the special needs and capabilities of the individual. The commission points out that no more fortress type prisons are needed, but that a medium security prison should be established, experiments in pre-parole housing units be developed, and that road camps be extended. The commission states that its goal is "a hard-working community or training camp, which year by year becomes more nearly self-supporting through the efforts of carefully selected, wisely directed inmate workers who are able to do the work assigned to them, who are acquiring physical soundness, and habits of work and skill, and who in this restricted community are preparing for life in the broader community outside the prison." The commission also stresses its conviction that such a goal is dependent not so much upon prison buildings as it is upon the personnel of the administrators, and urges an increased expenditure for this aspect of the state prison program.

Section II of the Report consists of changes proposed in executive penal and correction laws.* (Apply to Sam A. Lewisohn, Chairman, Commission to Investigate Prison Administration and Construction, 60 Broadway, New York City.)

*

Measuring Your City.—Bureau for Government Research, West Virginia University, 1931. 11 pp. After an introduction to the criteria of measuring city government, this bulletin, number 2 in the Public Affairs series, asks some pertinent questions. The main headings deal with municipal recording, a citizen's opportunity to influence his government, the administration of the city, its financial methods, and its governmental form. Under each heading are several suggestions which are fundamental to intelligent, progressive, city government. (Apply to Bureau for Government Research, West Virginia University, Morgantown, West Virginia.)

*

Conference on Governmental Relationships.—University of Minnesota, 1931. 138 pp. The 1930 summer session of the University sponsored a conference to inspect relationships between state, county and municipal units in law enforcement, public utilities, taxation and finance, and public health. The questions put forward at the conference centered about the proper units or areas for administration in these four fundamental fields. Authorities on these subjects presented material which, with charts and outlines previously prepared under the League of Minnesota Municipalities and the Municipal Reference Bureau, served as a background for general open forum discussion. This volume contains these speeches and a good deal of relative statistical information about the municipalities of Minnesota. (Apply to The Bulletin of the University of Minnesota, Minneapolis.)

*

Taxation Activities.—Finance Department, United States Chamber of Commerce, 1931. 35 pp. Three years ago the taxation division published "Tackling Taxation." In answer to the same question as to what business men's associations can do about taxes, this new pamphlet is now prepared. It deals with the structure, subject matter and methods used by business agencies in connection with taxes, and uses as a basis for discussion the actual problems and experiences of such agencies. One significant point mentioned is that whatever factors draw business agencies into the taxation field, once a well-financed program of taxation activity is begun, it is seldom relinquished. These programs usually include agitation for "full value for every public dollar" by common sense planning and control of public expenditures, balancing financial realities with social and economic objectives, and the realization that economy sometimes consists in spending more rather than less. A broad viewpoint, a willingness to face facts as they are, are fundamental to achievement in the field of taxation activity. (Apply to Taxation Division, Finance Department, Chamber of Commerce of the United States, Washington, D. C.)

* There are also two supplementary reports, the first of which deals with the classification of prison inmates of New York State, administrative and psychiatric, and compares various classification methods in use. The other is a report by the National Board of Fire Underwriters upon conditions affecting safety to life with respect to fire, in the prison institutions of the state.

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Special Assessments—Recovery of Money Paid under an Invalid Levy.—The Supreme Court of Michigan in *Blanchard* v. *City of Detroit*, 235 N. W. 230, holds that all assessments paid under an invalid levy after they have become a lien upon one's property are paid involuntarily and may be recovered back by the taxpayer. The court also holds that a provision of the Detroit charter providing for the refund of taxes or assessments illegally collected is not to be construed as the exclusive remedy, but that an action at common law for money had and received may be maintained.

The harsh application of the old common law rule that taxes voluntarily paid under an invalid assessment cannot be recovered by the taxpayer has been largely modified by the extension of the term "involuntary" to include payments made not only under circumstances amounting to coercion at common law, but also those made under protest to avoid a lien upon the property taxed or the incurrence of a severe penalty (*Bank of Holyrood* v. *Kottmann* (Kan., 1931), 296 Pac. 357). This tendency to liberalize the common law doctrine is well set forth in the opinion of the Court of Appeals of New York in *Adrico Realty Co.* v. *New York City* (1928), 250 N. Y. 29, 164 N. E. 732, in which it was held that a payment made to avoid the attachment of a tax lien upon real or personal property is to be considered involuntary.

These decisions are tending to bring the state decisions in line with those of the federal courts, which are coming more and more to enforce the repayment of special assessments collected under an invalid law. The Supreme Court in *District of Columbia* v. *Thompson* (1929), 281 U. S. 25, puts the right to such recovery upon the broad ground of the obligation imposed by law to restore property unlawfully taken by a municipal corporation. The inferior federal courts frequently take jurisdiction of special assessment cases under the authority of the Fourteenth Amendment, and where its violation is pleaded will determine not only the constitutionality of the statute under which the tax is levied but also the validity of the assessment as applied to the property of the plaintiff. If it is found that the assessment in effect deprives the plaintiff of his property arbitrarily or amounts to a confiscation, the statute or proceedings under which it is imposed will be declared unconstitutional and the collection enjoined. If moneys have been collected under an invalid assessment, the judgment will decree a restoration. For a full discussion of the extent of the federal remedy, we may refer to the recent comprehensive opinion of Judge Parker of the Fourth Circuit in *Carolina & N. W. Ry. Co.* v. *Town of Clover* (1931), 46 Fed. (2d) 395.

The rule enforced by the state courts that the voluntary payment of an invalid tax or assessment cannot be recovered, is therefore compelled to yield to the more liberal rule applied by the federal courts, which rests on the broad ground of the protection of property accorded by the Fourteenth Amendment. The rule as stated in numerous opinions of the Supreme Court is that "the obligation to do justice rests upon all persons natural and artificial" and if a municipal corporation obtains the property of others without authority, the law, independent of any statute, will compel restitution (*March* v. *Fulton County* (1870), 10 Wall. 676, 684; *Ward* v. *Love County* (1920), 253 U. S. 17, 24).

The Supreme Court of Michigan in the instant case also rejects the contention of the city that the statutory remedy for the recovery of assessments collected under an invalid law is exclusive. A recognition by other state courts of the full significance of the federal doctrines will go a long way to correct the habit which of late has become so prevalent of resorting to the federal courts to test the validity of special assessment proceedings. So long as the state courts refuse to accord to the property owner the protection the Federal Constitution guarantees him, he will continue to invoke the jurisdiction of the federal courts for protection.

*

Municipal Expenditures—Judicial Control.—The question of the adoption of state administra-

tive control of municipal expenditures, such as the Indiana system, as a check upon extravagant and improvident municipal expenditure has reached an acute stage in some of the sister states. The ordinary taxpayer's action is singularly inefficient, although recently made more effective by resort to the declaratory judgment procedure. As another method of active control over municipal finances, the state of New Jersey for the past fifty years has had in operation a statute which permits a supreme court justice, upon the affidavit of twenty-five freeholders that they have cause to believe that moneys have been corruptly or unlawfully expended, to order a summary investigation of the affairs of any municipality, to appoint experts to prosecute an investigation, to cause their reports to be published and to tax the costs against the municipality in question.

A decision handed down March 21, 1931, *North Bergen Township* v. *Gough*, 154 Atl. 113, reaffirms the constitutionality of the act and holds that the taxation of allowances may be made by the successor of the justice before whom the proceedings were instituted. The costs taxed in the instant case exceeded one hundred thousand dollars. Justice Case, in affirming the constitutionality of the act and the regularity of the jurisdiction of court, after referring to the testimony of the Court of Errors and Appeals in *Hoboken* v. *O'Neill* (1906), 74 N. J. L. 57, as to the usefulness of the act, says:

The statute is no less useful now than then. The Legislature clearly meant this statute to be the channel whereby a minority, having reason to suspect the unlawful or corrupt use of the moneys of the municipality, may present their apprehensions to a justice of the Supreme Court, whereupon that high judicial officer shall make an investigation, and thereupon, if he be satisfied of the propriety of so doing, may at his discretion appoint others, experts, to prosecute the investigation. There was thus set up a quasi judicial method, not of charging an offence or causing trial thereof, but of ascertaining and, if so the judicial officer should determine, of publishing the facts of a very particular and vital phase of governmental activity, namely, the handling of public funds. In any event, the investigation may be regarded as an effort to ascertain the truth of a charge involving the swindling of the government out of its money, and this, as was indicated in *Ex parte Hague*, 150 A. 322, 9 N. J. Misc. R. 89, is a proper subject of inquiry.

*

Taxpayer's Action—Recovery of Reasonable Attorney's Fees.—In *Council of Village of Bedford* v. *State* (1931), 175 N. E. 607, the Supreme Court of Ohio adopts the rule that in the absence of any statute requiring a contrary decision, a taxpayer who has brought an action in equity for the recovery of public funds unlawfully withheld from the municipality may be awarded in the discretion of the court a sum sufficient to reimburse him for reasonable attorney's fees. The decision accords with *State* v. *Andrews* (1915), 131 Tenn. 554, 175 S. W. 563; *Washington County* v. *Clapp* (1901), 83 Minn. 512, 86 N. W. 775; *Jones* v. *O'Connell* (1914), 266 Ill. 443, 107 N. E. 731.

But if there is no fund created, the generally accepted rule is that the taxpayer cannot recover for his disbursements (*Marion County* v. *Rives and McChord* (1909), 133 Ky. 477, 118 S. W. 309; *Criswell* v. *School District* (1904), 34 Wash. 420, 75 Pac. 984). So it has been held that no recovery is allowable where the constitution and the statutes provide in express terms the procedure that must be followed to authorize the payment of any claim against the state (*State* v. *National Surety Co.* (1916), 29 Idaho 670, 161 Pac. 1026, 2 A. L. R. 251). In the instant case, although the form of the action was mandamus, as it was brought for the use and benefit of all the taxpayers of the village, the court concludes that it was of a sufficiently equitable nature to justify the trial court in making the award to the plaintiff out of the fund collected.

*

Home Rule—Special Assessments—Local Improvement Guaranty Fund.—In *Hallahan* v. *Port Angeles*, 297 Pac. 149, decided March 20, 1931, the Supreme Court of Washington upholds the constitutionality of the statute enacted in 1927, requiring all cities and towns to create local improvement guaranty funds by general taxation. This requirement is a condition precedent to the exercise by any city or town of the power to impose special assessments for local improvements. Section 12 of article 11 of the state constitution forbids the legislature to impose taxes upon municipal corporations, but permits it by general law to authorize subordinate political agencies to assess and collect taxes for local purposes. The court points out that a general statute limiting the exercise of the power of taxation is not an imposition of a tax upon the municipalities. When a city orders a local improvement the tax in question is self-imposed and there is no interference with the constitutional home rule powers of the city.

Eminent Domain—Statute Limiting Compensation.—In *Chicks Spring Water Co.* v. *State Highway Department* (March 18, 1931), 157 S. E. 842, the Supreme Court of South Carolina holds that a statutory restriction upon the power of the defendant to condemn lands for highway purposes does not relieve it from liability to respond in damages for a permanent injury to private property due to its construction of highways. The injury was occasioned by constructing the highway so that it caused the plaintiff's lands to be flooded. The defense was that the defendant was not authorized to condemn the lands so affected. The court bases its holding upon the provisions of the state and federal constitutions requiring due compensation for the taking of lands, as construed by many decisions in South Carolina and by the Supreme Court in *Hopkins* v. *Clemson College* (1911), 221 U. S. 636, 35 L. R. A. (N. S.) 243.

The constitutional limitation in question is often lost sight of by critics of the awards given in condemnation cases, when they advocate statutory restrictions upon the amount of damages that the courts shall award, as for example, by a limitation based upon the assessed valuation for purposes of taxation. The only cases where such a statute can be sustained are those where the property is already charged with a public servitude and the right to damages for the appropriation is based solely upon the statute. Such is the case of lands lying along the Mississippi, which have always been subject to an easement giving the public the right to take such part thereof as may be essential for the construction of levees. See in this connection *Wolfe* v. *Hurley* (1930), 46 Fed. (2d) 515.

*

Torts—Liability of City in Admiralty.—The admiralty law has never recognized the special immunity of municipal corporations from tort liability (*Workman* v. *New York*, 179 U. S. 552). In *Slater Company* v. *Nicholson Transit Co.* (1931), 47 Fed. (2d) 734, the Circuit Court of Appeals, Seventh Circuit, held that the city of Chicago was only secondarily liable in admiralty for damages due to defects in its municipal piers. The obstruction that caused the injury to the transit company's boat consisted of iron tie rods projecting from the side of the pier several feet under the water. The city, however, had leased the greater part of the pier to the Slater Company for the storage of automobiles, under an agreement which provided that the lessee would save the city harmless from liability due to "any act or omission negligent or otherwise of the lessee," its agents and servants. The court holds that the failure of the lessee to make an inspection that would have revealed the projections constituted negligence on its part and that it should be held primarily liable. This construction of the contract seems strained in view of another clause in the lease, which provided that the lessee was to do no construction work on the pier and would permit the lessor to have free access to the premises for "examining the same or to make any needful repairs."

*

Remedies—Effect of Contributory Negligence of Officer Discharging a Governmental Function.—The general rule that a municipality is not liable for the negligent acts of its officers and employees in performing governmental functions is accepted by the courts of most of our states. Its statement usually takes the form that the doctrine of respondeat superior does not apply in such a case. In *City of Milwaukee* v. *Meyer* (April 7, 1931), 235 N. W. 768, the Supreme Court of Wisconsin held that a corollary of this rule is that in an action in tort brought by the city, the contributory negligence of one of its officers whose duties are governmental cannot defeat the liability of the defendant.

The action was to recover damages to the abutment of a bridge due to the mooring of defendant's scow in a part of the canal where it interfered with traffic and thereby caused another boat to collide with the bridge. The defendants sought to relieve themselves from liability by showing that the berth was taken by order of the harbor master which was at a point forbidden by an ordinance of the city. The conclusion of the court is supported by the analogous doctrine that the government is not bound by the laches of its officers with reference to a matter which is the subject of an action in which it seeks a recovery. A similar conclusion was reached in the only other cases in which this question seems to have been passed upon (*Paterson* v. *Erie R. Co.* (1910), 78 N. J. L. 592, 75 Atl. 922 and *Columbus R. Co.* v. *Columbus* (1922), 29 Ga. App. 8, 113 S. E. 243).

*

Streets and Highways—Encroachments—Municipal Art Jury.—The Supreme Court of Pennsylvania in *Walnut & Quince Streets Corporation* v. *Mills* (1931), 154 Atl. 29, upholds the provision of the Philadelphia Charter of 1919

establishing a board known as the "art jury" whose approval is prerequisite to a license to private persons to erect structures on or extending over public streets of the city. The petitioners sought an order restraining the municipal authorities from interfering with their erection of an electrical sign and a marquise in front of a theater building and extending over the sidewalk. Pending the action, permission was given for the sign, but the city refused to give a license for the erection of the marquise, which would have extended along the entire front of the building, because of the refusal of the art jury to approve of the structure.

The court dismissed the contention of the petitioners that the board was a "special commission" the creation of which would be contrary to section 20 of article 3 of the state constitution. The further objection that the action of the jury was arbitrary and that no standards were fixed to govern its discretion was met by calling attention to the fact that any private encroachment upon a public street without a license would be a nuisance in law and that the legislature had delegated to the city the power to prescribe the conditions precedent to the granting a license for the privilege of erecting structures upon the street. While such encroachments as are not nuisances in fact may be permitted, the discretion of the city authorities in determining whether they will be dangerous or objectionable in any way is affirmed.

Powers—Construction of the Term "Maintenance" of Structures.—In *Davis Holding Corporation* v. *Wilcox*, 153 Atl. 169, the Supreme Court of Errors of Connecticut passed upon the construction of certain statutes of that state (16 Special Laws 1911, p. 412, and 17 Special Laws of 1915, p. 221) which confer upon the sewer commissioners of the town of Greenwhich the power upon approval of the town meeting to construct a sewer system with drains and disposal works. After the authorization and construction of such a plant, the commissioners are empowered to maintain the same and, in conjunction with the town board of estimate and taxation, assess the cost upon the real estate benefited thereby. In 1928, because of complaints made as to the condition of the disposal plants, the commissioners proceeded to provide a metal covering for one of the sludge beds and to include the cost thereof in the annual assessment upon the lands benefited.

The principal issue raised in the case was whether the construction of the covering over the sludge bed should be included as an item in the "maintenance" of the plant, or should be treated as an original construction requiring approval by a special town meeting called for that purpose. No precise definition was made by the statute as to whether improvements of existing sewer plants are to be considered as original construction or maintenance. In this dilemma, the court finds that, looking at both statutes, the intent of the legislature could not have been to require a special town meeting to authorize any and all repairs that might be necessary and that, therefore, the required improvement should be included under the term "maintenance" and that the tax was properly laid. While the term "maintain" therefore has no precise legal significance, in the instant case it is construed to mean the keeping of existing structures in a state required for efficient operation.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

PENNSYLVANIA INVESTIGATES PUBLIC UTILITY REGULATION

Following Governor Pinchot's criticisms of utility regulation in Pennsylvania, two legislative committees have been investigating the public service commission and the effectiveness of regulation in that state—a senate committee, and a committee of the house of representatives.

Both committees found much to criticise in actual accomplishments under the present system. The house committee, however, went much further, and in its preliminary report on April 27, recommended the abolition of the commission and the creation of a "Fair Rate Board," as proposed by Governor Pinchot. Its report states that the evidence shows the commission had lost the confidence of the public; that the law had been designed primarily to protect the interest of the public, and to safeguard it from exploitation by utility companies, but that these objects have not been secured. It shows that from 1925 to 1929 almost one-half of the electric companies were earning, according to their own sworn statements, 50 per cent more than 7 per cent return on their depreciated book investment, which sometimes included inflations. Similar conditions prevail among gas and water utilities. But the public service commission, except during the years 1930 and 1931, had made no attempt to effect rate reductions. The commission, moreover, had failed to make public the issuance of securities by holding companies, and had allowed without protest certain utilities to "write up" their fixed assets for the purpose of security issues.

The preliminary recommendations would also largely repeal the present law, and substitute new legislation designed to assure effective regulation and systematic protection not only of utility consumers, but of *bona fide* investors in public utility properties. Among the specific changes sought, would be systematic control of security issues, so that no securities may be issued without the prior approval of the commission, and only for actual investment purposes approved in the public interest.

Changes are sought also in the accounting provisions. No company would be allowed to "write up" its properties above actual money cost, nor could such write-ups be brought about indirectly through the purchase of properties of one company by another. Changes are urged in accounting procedure, to show more definitely the cost of service and the basis of rates for various classes of consumers.

The proposed new law would place holding companies under regulation. It would prevent the pyramiding of securities in holding company structures. It would also make impossible excessive bankers' fees, management fees, profits on construction work, and other profits that have been tapped off through inter-company arrangements, under the guise of operating expenses and capital expenditures. Contracts for all inter-company services would be brought under the control of the commission, and the burden of proof as to the reasonableness of any charges would be placed upon the operating company. Every utility would be required to furnish full information with regard to its controlling or affiliated interests.

The committee found that fundamental to the reëstablishment of public confidence in regulation is the stabilization of valuation procedures, and that this can be accomplished only through the adoption of prudent or net investment depreciated as the rate base.

The Pennsylvania house committee is in agreement with the minority of the New York Revision Commission which held that effective rate-making is possible only upon the prudent investment base.

BAUER PLAN AND COOKE PLAN COMPARED

It is understood that the program of the house committee has the approval and support of Governor Pinchot, while in New York the position of the minority is supported by Governor Roosevelt. The objectives are the same—the establishment of a fixed and non-variable rate

base for each company, which would be definitely shown by the accounts, and would not be subject to variation due to change in prices or cost of construction. The methods, however, by which these aims would be attained, differ materially. The Roosevelt program is based on the Bauer plan, which the editor of this department has been advocating for a number of years, while the Pinchot program is based on the plan advanced by Morris L. Cooke.

The Bauer plan would define by direct statutory enactment the general basis of rate-making; it would provide for every company an initial valuation of its existing properties, to be determined generally under the laws of the land, but to be fixed once for all, without further variation for future rate-making purposes. This amount would be taken as a substitute or equivalent of net prudent investment in the existing properties. To it would be added all future actual investments in additions and improvements as approved by the commission. The investments would be fully safeguarded through maintenance and adequate depreciation provisions and the accumulation of other reserves.

The Cooke plan does not attempt to establish directly by statute a comprehensive rate basis. It would leave all existing properties under the present "fair value" rule, but would seek to bring under the prudent investment rule all future improvements and extensions through the medium of contracts, as approval is sought by the companies either for new franchises, extension of franchise provisions, for security issues, or for the granting of any other rights sought by the companies from the regulatory authorities. It would thus seek, over a period of years, to establish the prudent investment by contract, without any comprehensive shift of legal principle through direct statutory enactment.

The relative merits of the two plans involve questions of constitutionality, cost to the state, and practical considerations as to the level of valuations. These will be summarized in the order mentioned.

THE LEGAL QUESTION

The Roosevelt program, or Bauer plan, involves a direct challenge to legal postulates inferred from the present determination of "fair value." It assumes that rate-making as a whole is a legislative process, and that every part of the procedure is subject to legislative determination, including the machinery and processes by which the rates are fixed. The results, of course, must be reasonable, and must not be confiscatory of private rights; but the legislature itself has the power to fix standards by which its policy of rate regulation is to be effectively administered.

If a fixed rate base under systematic accounting is really necessary to make regulation effective, and if it is reasonable both in the interest of the mass of investors and the consumers, then the determination of the legislature would prevail, and the policy established by statute would be recognized as valid by the Supreme Court of the United States. The introduction of such a fixed rate base would be carried out with reasonable consideration to private and public interests, and a judicial review of the process would be a part of the transition to the new system.

The preponderance of opinion appears to be that no such fixed rate base can be established by direct legislation—whatever care may be taken to deal fairly with private as well as public interests. If this constitutional view is correct, the plan would not stand the legal opposition which undoubtedly would develop against a mandatory system established through direct legislation.

It is doubtful, however, whether this view is correct. There are no cases which bear squarely on the issue or which permit a close analogy to indicate that such legislative provisions would be invalid. There is, on the other hand, good constitutional authority which holds that such a fixed rate base could be established through legislative mandate, provided that it is in the public interest, and that private rights are not treated unfairly. Among such authorities are Felix Frankfurter, of the Harvard Law School; Frank P. Walsh, former vice-chairman of the War Labor Board and joint chairman of the National Industrial Relations Commission; and Bainbridge Colby, former secretary of state.

It would seem worth while to test this constitutional question, and find out whether regulation can be carried out systematically through direct legislative policy, or whether the public purposes can be effected only through indirect and evasive processes. The direct method would appear preferable, because of the tremendous interests involved, and because of the scope of public regulation of industry which will almost certainly be expanded during the generation before us. As a matter of general public policy, it would seem desirable that all legislation which provides for regulation in the public interest, should be

free also to establish such bases and methods as are clearly designed to bring the industry under effective public control.

If such direct legislation is not attainable, then the alternative method proposed by the Cooke plan is the only reasonable recourse left to attain the desired result. As a utility seeks new privileges of any sort or the extension or renewal of privileges, it may be required to agree to the establishment of a fixed rate base, and to accept such other limitations as may be desirable to make regulation effective.

The Cooke plan involved no direct challenge to the present legal concepts. It would not extend immediately to any of the properties that have been installed under existing franchise rights. Its operation would be limited to future properties as they are installed under rights and privileges to be granted by the state, under the condition that their valuations for rate-making would be determined by the prudent investment, instead of the "fair value" rule.

The extent that such a condition may be enacted for future construction is doubtful. Many companies may continue indefinitely with no need for a petition that would involve new rights and privileges for which the prudent investment standard could be exacted as a condition. There may be even serious doubt as to the extent that the Cooke plan may be legally applied as new rights and privileges are sought by the companies. The plan is essentially coercive in character. While a state, of course, can couple conditions with the privileges asked for by the companies, it may be distinctly limited in the scope of fixing such conditions. In the case of a new franchise, the state probably could exact an agreement that would provide for prudent investment for all future properties. Whether the same limitations could be imposed upon minor extensions of the franchise to meet general service requirements, may be doubted; and it seems improbable that such limitations would be approved, if fixed as conditions for security issues to carry out the financial provisions to meet the service obligations of the companies under existing franchises.

At best, it seems that the Cooke plan would have limited application, and would require a long time before a substantial transition could be effected from the present "fair value" to the desired prudent investment basis of valuation. The Bauer plan would provide for prompt transition, including all properties that are involved in the public service. From the standpoint of effectiveness, therefore, the Roosevelt program would seem preferable. The only way to find out whether it can be established by statute, is to enact a mandatory system, and to test it out in the courts.

RELATIVE COST TO THE PUBLIC

The Bauer plan would require a valuation of all utility properties, except those whose rates quite obviously would not be affected by any level of valuations, to wit: street railways. While every property would have to be examined as to its physical condition, composite unit costs would be worked out and applied to individual properties so as to avoid futile detail, excessive costs, and needless delay.

If the direct legislative plan is upheld legally, there would be little delay in establishing systematically a fixed rate base for future regulation. While there might be reviews of individual valuations, there would be no delay in the application of the valuations when the general principle had been approved by the Supreme Court. If organized on a sensible basis, the cost of making the valuations can be kept down to a low figure. But even if the aggregate cost should reach $10,000,000, or even $20,000,000 for the entire state—like Pennsylvania or New York—it would still be justified, in that regulation would be put upon a definite basis, which would be systematically administered, and which would protect investors as well as consumers.

The Cooke plan would involve no immediate valuations, and would not impose any special costs upon the state or the industry. It would make no sharp line of division between the present and the future system. The commission would merely go on as it has—making valuations as might be required for individual rate cases, and only gradually setting up a prudent investment base as new expenditures are made, under special agreement, or as more general valuations might be mutually agreed upon by the commission and the companies.

In its immediate effect, the Cooke plan would be less costly to the public. But, in the long run, it would be much more costly, in that it would continue indefinitely with the present cumbersome processes of rate control.

LEVEL OF VALUATION

The principal objection to the Bauer plan is the high valuation which would be established

under present conditions, and which would be permanently "frozen" into the future rate base. The Cooke plan would place no fixed valuation on existing properties, and would leave their adjustment to the changes in price level that may take place in the future. Prudent investment would be applied only to new properties as might be installed at a lower level of costs than the bulk of the existing properties, especially those of the electric companies.

It is true that a large proportion of the electric properties, also other properties, has been constructed during the period of high-price level and high construction costs. If it were assumed that we are now in the course of a steady downward movement of prices which will continue for the next 15 or 25 years, then an immediate appraisal of the existing properties might have the effect of "freezing" permanently into the rate base higher amounts than would be obtained if valuations are made when the prices and costs have descended to lower levels than prevail at the present time. There is, undoubtedly, a question of expediency whether this is the appropriate time for the establishment of a fixed rate base, if we wish to be fair to the public.

This question of expediency involves guesses as to the future course of prices, also as to the effect upon public and private rights, and as to what could practically be done in the reduction of valuations, if a much lower price level should be attained during the next 15 to 25 years. With regard to these matters, the following points deserve consideration:

(1) Prices have already declined materially during the past two years, and, it seems, will probably continue to decline during the next two or three years. It is impossible to make a valid prediction for a longer period.

(2) Even at the present price level, it would be possible to establish lower valuations than as a practical matter could be fixed for many companies. At all times, consideration would have to be given to the securities outstanding and the basis upon which they were taken by the investors. Notwithstanding lower reproduction costs that could be adequately supported by unit prices under present conditions, it would be extremely difficult to fix the net valuations materially below actual investment, and especially below the amount of the securities issued and the basis upon which the securities were sold to the public.

The problem of establishing a fixed rate base involves investors as well as consumers. To fix valuations materially below actual investment would destroy honest investments. In many instances it would impair the credit of the companies, or even cause insolvency. The actual investment and the financial structure will inevitably stand as formidable barriers to valuations materially lower than present reproduction cost.

(3) Not only have prices already declined substantially from the more immediate post-war level, but tremendous improvements in methods of construction, especially upon large-scale construction, have been made. To a large extent the existing properties have been built at higher prices and under conditions of piecemeal construction. If there were to be an immediate valuation, the fundamental basis would be present reproduction cost at large-scale production, under which the most up-to-date and efficient processes would be used. With the two factors taken together—present lower prices and the economy of large-scale construction—present valuations would, as a rule, be lower than the actual investment, especially in the case of electric properties. They would produce a base which could not be established permanently for rate-making purposes.

SUMMARY

Taking all facts into consideration, the Bauer plan would set up immediately a definite policy which, if reasonably carried out, should receive the approval of the courts. It would not destroy actual investments, and it would put regulation immediately upon a systematic basis. The Cooke plan continues the present administrative difficulties, and would avoid them only over long periods of time, when the present investments would cease to figure materially in valuations for rate-making purposes. This course is slow-moving and cumbersome, and, in the aggregate, much more expensive to the public. If the failure of present regulation is due primarily to the indefinite and variable rate base, it would seem that the remedy lies in the establishment of a fixed and non-variable rate base now.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

Profit and Loss Under Public Ownership, 1929–30.—The April 17 issue of *The Municipal Journal* contains a summary of the results of municipal trading in England which is in many respects one of the most interesting financial documents which has appeared. The results are, of course, complicated by factors too numerous and diverse to provide a basis for a parliamentary campaign. At the same time, a number of significant conclusions emerge. Recapitulations for several of the major classes of local trading projects are given:

Class of Authority	Undertakings Deficient	Amount £	Undertakings with Surplus	Amount £
MARKETS				
County boroughs	3	15,772	58	269,602
Boroughs	5	2,392	56	64,593
Urban districts	4	1,820	20	23,331
Metropolitan boroughs	..	.....	2	7,483
WATER				
County boroughs	4	69,954	7	49,763
Boroughs	13	98,956	8	14,956
Urban districts	17	54,472	4	5,292
ELECTRICITY				
County boroughs	1	20,000	27	167,525
Boroughs	1	2,200	22	41,434
Urban districts	1	1,250	10	8,540
Metropolitan boroughs	..	.....	5	40,473
TRAMWAYS				
County boroughs	12	91,239	12	142,682
Boroughs	13	47,668	1	2,440
Urban districts	7	27,503	..	.....
HOUSING ESTATES				
County boroughs	7	34,893	31	280,242
Boroughs	7	13,125	18	9,813
Urban districts	1	154	1	30
Metropolitan boroughs	..	.....	1	4,659

The summary for the nine types of undertakings given, including in addition to those recorded above: gas, trolley buses, motor buses, and a miscellaneous group, indicated that county borough undertakings incurred deficits totaling £439,654, and contributed £1,209,383 to the relief of rates. Boroughs sustained deficits of £223,336, and accumulated surpluses of £190,-062. Urban districts had losses aggregating £99,767 and surpluses of £41,477. Metropolitan boroughs (London) incurred no deficits, and accumulated surpluses of £53,198.

These statistics impel the editor of the *Journal* to some engaging analyses in the issue for April 24. He points out that the statistics indicate that chief among the factors determining the failure or success of municipal trading is the density of the resident population, inversely with the extent of the area to be supplied. And so they do. The county boroughs, which are cities having large populations and for this reason made independent of the county in which they are located—and the London metropolitan boroughs are the units which came off with surpluses exceedings deficits. These areas represent compact and densely populated regions.

The editor, while entirely sympathetic toward public ownership, is convinced that some undertakings deserve sharp criticism. He insists that the time has past when public ownership can be defended by reference to abstract principles. Public ownership should still provide the strong-

est guarantees for the consumers' protection, but the degree to which the elector benefits by the direct operations of his council as a trading authority is materially affected by the quality of technical management. "An electrical engineer sluggishly disposed and unfriendly towards schemes of extension, is not made efficient as an officer in the public interest merely because the town council, and not a company of share holders, is the proprietor of the undertakings for which he is responsible. How far is the recent tendency for municipal ownership to diminish the financial advantages which that principle formerly conferred, due to some deficiency of enterprise and initiative? In private ownership, gas and electricity have made greater headway during the last few years. Is the fault in the councils, an electorate largely indifferent, or does it derive from that inherent defect in nearly all monopolies to rest content with what has been done?"

Here is indeed an incisive indictment of undertakings' administration. The financial success of municipal trading in Great Britain in past years is an adequate answer to those who insist that government cannot do the job. Current developments must be charged against something else. Is it possible that public enterprises, like private utilities, wax careless in opulence? What is the effect of monopolistic status upon economical administration? Dr. Bauer last month pointed out that the least efficient and most costly part of power supply is in the phase of it that is essentially monopolistic—the distribution end. How long, in fact, can a monopoly last before it becomes decadent?

*

Another Phase of the War on Tuberculosis.—Dr. Héctor Orrego Puelma, writing in the current issue of *Comuna y Hogar*, the official organ of the League of Chilean Municipalities, comments on a phase of health administration which has gained little headway in this country from his particular viewpoint.

Dr. Puelma says that because of its transmissibility, tuberculosis should be regarded precisely as any other infectious disease. Disregarding for the moment the scientific basis for his theory of its infectiousness, the legislation of a number of countries points toward the outright classification of tuberculosis as a relatively communicable ailment.

Denmark promulgated in 1905 a law concerning doctors treating this disease, designed primarily to prevent its diffusion through inadequate sterilization of their instruments. It was followed in 1912 by a statute providing for state aid in medical dispensaries and hospitalization of tuberculars. Between 1913 and 1917 Denmark spent over one million crowns, in the fight against tuberculosis, on a population of less than three and one-half millions. In 1918 the legislation was revised to make obligatory the hospitalization of tuberculars, and the sterilization of their houses and possessions.

England, while not extending its efforts in the direction of mandatory treatment and disinfection, has gone far in the provision of facilities. Since 1912 the ministry of health, in conjunction with the local authorities, has been establishing dispensaries and facilities for hospitalization. In 1923 England had 442 dispensaries, free to those unable to pay, 198 tubercular sanatoriums and hospitals containing 2,730 rooms, as well as 3,310 rooms devoted to the treatment of tuberculars in over 61 diverse establishments.

France, in 1915, provided for the expenditure of five million francs for the creation of tubercular sanatoriums. In 1916 another law made mandatory the creation of dispensaries in all the departments, the charge being shared between the municipal, departmental and state budgets. In 1919 a law permitted the state further to offer subventions for the establishment of tuberculosis hospitals. The same year a mandatory hospitalization law was introduced in the chambers, although due to opposition by the Academy of Medicine it was not adopted in its entirety.

Italy in 1917 declared the war against tuberculosis a "public purpose," and has since that time offered annual subventions totaling over two million lire for the construction of dispensaries, sanatoriums, and preventoriums.

Germany has left the matter entirely with the states, and has no *Reich* law concerning tuberculosis. Most of the states make excellent provisions, however, and there are at present 190 institutions for adult tuberculars, 257 for children, 148 ship-hospitals for certain types of pulmonary, and convalescent cases, 21 residential school-ships, 6 labor-colonies for tuberculars, 88 observation stations for those seeking hospitalization, and 385 hospitals or hospital-sections for tuberculars.

Switzerland probably has the most thoroughgoing legislation of the European states. Its "armament" against tuberculosis consists of 24

hospitals for adults, with a total of 2,000 rooms, and 29 hospitals for children, with 1,200 rooms. There is one room for each 1,200 inhabitants of the country. And these are only the provisions made by the public authorities. The Swiss Central Association against Tuberculosis has established 30 dispensaries and local centers. These dispensaries aid annually over 25,000 persons, of which some 11,000 are suffering from some form of tuberculosis. There is the most intimate correlation between the work of the government and the association, which has resulted in a substantial curtailment of the tuberculosis mortality index. One of the most interesting of the Swiss institutions is the University Sanatarium of Leysin, in which constant research is engaged in for the purpose of discovering more effective methods of cure and prevention.

Rigorous duties are imposed on the cantons in the inspection of those suspected of being tubercular. Especially severe is the examination of all those coming in contact with children, such as teachers, religious workers, etc. Frequent examination of food-handlers is required. The municipalities must maintain an efficient system of visiting nurses, inspectors, and facilities for examination. The national government customarily supplies one-fourth of the funds necessary for the construction of local hospitals for tuberculars. Hospitalization and treatment are compulsory, and the requirements are rigidly enforced.

Dr. Puelma concludes with a plea for the organization of an effective effort against tuberculosis by national and local Chilean authorities. One would conclude that in Chile much of the effort in this direction is as uncoördinated and casual as in a number of American states. The thesis of his argument—that tuberculosis should be treated as a highly communicable ailment, and that it cannot be so treated without adequate facilities of inspection and hospitalization—is probably a concise expression of continental opinion on the subject. No state in this country, however, makes mandatory hospitalization or treatment of tuberculosis as such. Our regulation is entirely negative. Here is a new point of view of the appropriate scope of mandatory and compulsory legislation which is worth looking into.

A Correction from Berlin.—*Ministerialdirektor* Dr. Victor von Leyden has very kindly called to the attention of the editor certain errors in the discussion of the Krefeld-Uerdingen consolidation which appeared in the January issue of this REVIEW.

Under paragraph six of the communal integration law for the Rhenish-Westphalian industrial area, virtually all of the urban portion of the Landgemeinde Kaldenhausen was annexed to the city of Uerdingen. The community of Hohenbudberg was a *selbständige* unit at the time of the 1929 communal integration and its territory was not altered in any way by that law. It should be clearly noted that the relations of the united city of Krefeld-Uerdingen with the outlying area are wholly contractual, and that, with the exception of a part of former Kaldenhausen, which, of course, lost its identity when annexed to Uerdingen, there is no organic relationship except between Krefeld and Uerdingen.

The present first mayor of the consolidated city is the former Oberbürgermeister of Neuss, and not, as was stated, the Bürgermeister of Uerdingen.

For overlooking the Rhenish-Westphalian law, which he had duly reported in this department last year, the editor apologizes.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since March 1, 1931:

Bureau of Public Administration, University of California:
Report on Proposed Park Reservations for East Bay Cities (California)

Taxpayers' Research League of Delaware:
Retirement of the Bonded Debt of the City of Wilmington

Division of Municipal and Industrial Research, Massachusetts Institute of Technology:
Can General Property Taxation Be Reduced?

New York State Conference of Mayors and Other Municipal Officials:
Scientific Methods and Rules for Assessing Land and Improvements

Finance Department, Chamber of Commerce of the United States:
International Double Taxation

Bureau of Government Research, West Virginia University:
Measuring Your City

*

New Placement Bureau for Researchers.—The subcommittee on personnel of the American Political Science Association's committee on policy is organizing a personnel service especially designed to aid those who have recently completed advanced work in political science in finding appropriate positions. Professor William Anderson of the University of Minnesota, or Luther Gulick of the National Institute of Public Administration would appreciate being informed of vacancies in the staffs of the bureaus of governmental research.

*

New Governmental Administration Group Formed in Los Angeles.—There has been formed in Los Angeles County, recently, a small group of those who are engaged in governmental administration work. The purpose of the organization is to make it possible for these men to exchange ideas and to discuss problems which they have coming before them daily. The Pacific Coast is isolated from governmental administrative organizations of the East and the lack of such contacts which these organizations afford has been keenly felt by the people engaged in this line of work.

This new organization has two main fields of activity relative to its discussions and subject matter presented at its meetings. The first has to do with administration or management of our cities, counties, and schools. The problems of the administrator are the subjects that come under this classification. The second objective is to develop, so far as possible, units of measure which the administrator can use to evaluate the success or failure of his departments.

The following are the charter members of the new organization: A. E. Stockburger, city manager, Alhambra, California; Clifford N. Amsden, general manager, board of civil service commissioners, city of Los Angeles; O. S. Roen, city manager, South Pasadena, California; L. D. Gifford, chief engineer, California Taxpayers' Association; Dr. Frank O. Evans, director of administrative research, Los Angeles city schools; N. Bradford Trenham, secretary, educational commission, California Taxpayers' Association; John N. Pfiffner, School of Citizenship and Public Administration, University of Southern California; Harold A. Stone, director of research, California Taxpayers' Association; Roy A. Knox, director, bureau of budget and efficiency, city of Los Angeles; J. W. Charleville, city manager, Glendale, California; Emory E. Olson, director, School of Citizenship and Public Administration, University of Southern California; John M. Peirce, California Taxpayers' Association; John W. Donner, assistant director, bureau of budget and efficiency, city of Los Angeles; Gordon Whitnall, city planner, Los Angeles, California; H. F. Scoville, bureau of efficiency, county of Los Angeles; and Charles H. Diggs, director, regional planning commission, Los Angeles County.

Mr. Stone has been appointed chairman of the group and Mr. Diggs secretary.

The membership is to be limited to not more than twenty and to be made up of persons representing the major activities of the cities, counties, and schools. It is a group of administrators and the membership will be limited to that profession.

The present plans are to have the meetings monthly at which time one of the members of the group will present a problem to be critically analyzed and commented upon by the other members.

*

Baltimore Commission on Governmental Efficiency and Economy.—In the spring of 1930, the Commission on Governmental Efficiency and Economy began to function in Baltimore as an independent non-political citizens' agency dedicated to the task of making municipal and state services more effective and less costly. No formal literature has been issued descriptive of its work because the commission has concentrated on practical field work in the municipal departments rather than on featuring academic research in the theory of governmental administration; it has concerned itself with obtaining practical benefits and has not sought publicity.

The most important of its studies, the effects of which will undoubtedly be far reaching, has been investigations of (a) the city's debt situation; (b) the acquisition of property for highway condemnation; (c) purchasing practice; (d) centralization of stores; and (e) the control of tax assessments and receipts.

While these are the major accomplishments, some of the less comprehensive, but none the less effective results that have been attained include: protection of capital funds against use for maintenance work; elimination of improper charges to specific loan funds; analysis of the trend of the taxable basis; discontinuance of prepayment for materials furnished by contractors on city construction work; status of paving improvements following highway condemnation proceedings; reconciliation of the city's books of benefits and damages accounts resulting from condemnation proceedings; composition of Board of Zoning Appeals; and administration of air pollution regulations.

One of the studies which the Commission is about to undertake is the installation of general accounting and cost analysis which will make possible intelligent and accurate budgeting and control of annual expenditures. The city is not yet in a position to produce a balance sheet of actual values.

*

California Taxpayers' Association.—The study of the Los Angeles County budget has been commenced. This study will assist ten board of supervisors in their efforts to keep Los Angeles County's expenditures within its income. A budget study is also being carried on in the Alhambra city school system.

A study has been made of the supplies used in the operation of the elementary schools of Kern County and the city of Bakersfield. This analysis deals only with prices and has not been concerned with quantities. Two general conclusions have been reached. First, that the policies pursued in the placing of the contracts for school supples for the elementary schools of Bakersfield have obtained relatively low unit costs. The recommendation is made that the policy of placing the business among several competitive bidders be continued. The second conclusion is that the county of Kern has not been remarkably successful in obtaining low unit costs for school supplies, inasmuch as this business had previously been placed under a single contract with one supplier. The recommendation is made that the purchasing agent pursue the policy in the future of making the awards among the several low bidders on each item.

At the request of the Sweetwater union high school district, the Chula Vista elementary school district and the National City elementary school district, a survey will be made of their building requirements and a building program will be formulated. These studies will include population and enrollment forecasts, a survey of the present plants and their utilization, the location of new plants or the expansion of existing ones, together with recommendations for types and sizes of buildings to be built. The building program is to extend over a five-year period and is to include complete recommendations for the financing of the program.

*

Taxpayers' Research League of Delaware.—Having completed the fourth year of its activities, the League has prepared a report reviewing its work and outlining its tentative program for the future.

In the field of state fiscal administration, the League has done considerable work in coöperation with state officials on the consolidation of special funds, the placing of all administrative

funds in the custody of the Treasurer, the adoption of a uniform fiscal year for all administrative agencies of the state, and the improvement of the state's accounting budget systems. Many important improvements in fiscal administration have been put into practice by executive officials where it was possible to do so without a change of law. The legislature of 1931 also made several important changes on the recommendation of Governor Buck for further improvement in the same direction. Improved fiscal administration has paved the way for a number of important tax reductions and economies in the legislatures of 1929 and 1931.

The League has been active in coöperation with Governor Buck in studying the possibilities of retiring the state's bonded indebtedness. During the first two years of his administration, the sinking fund commissioners, at the instance of the governor, have called and redeemed $7,085,000 of state highway bonds, or more than 75 per cent of all highway bonds issued. As a result of this action, the highway fund will save $19,870,000 in debt charges in approximately the next forty years. It is the governor's hope that the remaining state indebtedness can be eliminated during his administration.

As the agent of the state board of charities, the League made a study of welfare administration and prepared a plan for a state welfare department. The bill was defeated in the senate after having passed the house of representatives. There is hope, however, that the objections to the plan can be eliminated by further study, and that a consolidation of the various welfare agencies will be approved by a later legislature.

The League has recently analyzed the bonded debt and sinking fund of the city of Wilmington, and has coöperated with city officials in formulating a plan for building up an adequate sinking fund.

The League coöperated with the Wilmington Chamber of Commerce in a study of methods of determining the responsibility of bidders for public work. Recommendations for the prequalifications of bidders were enacted into law by the last legislature.

At the request of a committee appointed by the New Castle County grand jury, the League made a study of the recording of legal documents and prepared a report.

Major items on the League's projected program include a study of county government and taxation, which was authorized by the last legislature; a further study of state fiscal administration, and also of welfare administration; and studies of local government in the municipalities of the state.

*

Des Moines Bureau of Municipal Research.—The Bureau devoted its entire attention during the first three and one-half months of 1931 to the forty-fourth Iowa general assembly. The Bureau had its best "economy session" with the legislature which recently adjourned.

This legislature was in a frame of mind for tax reduction measures which ordinarily would have had scant chance of passage. Many such bills were given serious consideration and even passed at this session. The Bureau helped in the passage of many "tax saving" bills and assisted in killing a number of "tax boost" bills. The Bureau's legislative work involved the preparation of some bills; the marshaling of facts for arguments; inspiring newspaper publicity; appearance at legislative committee hearings and ordinary personal solicitation of various legislators. The Bureau had more or less to do with each of the following measures which were passed:

1. Committee on reduction in public expenditures created to devise possible savings in our annual state and local $110,000,000 tax bill, during next two years. Similar committees in other states have affected big savings.

2. Elliott Bill compels five per cent reduction in 1932–33 city and county tax levies; bond charges exempted. Only schools are affected that now levy $70 per child. This should result in reduction in Des Moines tax levies by over $100,900.

3. County attorney and sheriff's bills place these officials on straight salary and take away their fees and perquisites. This takes effect in 1933 and will save $20,000 annually in Polk County expense.

4. Biennial school census instead of annual census. This will save about $3,000 to Des Moines school district every other year.

5. Mileage reduction. This reduces the ten cents per mile auto transportation allowance to public officials (excepting sheriff) to seven cents per mile. This will save about $100,000 yearly in entire state.

6. Sixty per cent bond law. This bill provides that no bond issue shall be carried unless sixty per cent of the voters approve. This will retard public borrowing in the state.

7. Moneys and credits tax is made a replacement tax under new statute. This virtually requires that the $350,000 raised by the moneys and credits tax in Des Moines must reduce the general property tax by about five mills.

8. The Polk County budget law which we wrote and was enacted two years ago, has been made applicable to all counties in the state.

The Bureau worked against the following "tax boost" measures which the legislature killed:

1. To increase court reporter's salary.

2. To place various groups of city employees on pension list.

3. To raise various millage taxes.

4. To add arbitrarily without expression of people certain rural school districts to Des Moines school district.

⚜

Taxpayers' League of St. Louis County (Duluth).—The first attempt at long-term improvement planning in Duluth met with rejection at the hands of the voters on April 7. Only one proposal out of five submitted received the sixty per cent vote required for bond authorization. The proposal adopted, which amounted to $570,000, will provide funds for the first unit of a sewage disposal system. The idea of planning improvements five years ahead seemed to meet with universal approval, but business conditions and the necessity for reducing real estate taxes combined to defeat the other four proposals. The Taxpayers' League, which has consistently advocated the planning of capital improvements over a period of years, advocated only the approval of the sewage disposal bonds. The opinion of the League was supported by the voters.

The study of the cost of the administration of criminal justice in Duluth for the Wickersham Commission has been completed.

⚜

Los Angeles Bureau of Municipal Research.—A new bureau of municipal research is now in process of being established in Los Angeles, California. It is a non-profit citizen organization, instituted with the encouragement of public officials and property owners who have become very uneasy about the tax situation.

James O. Stevenson, who attended the Training School for Public Service of the New York Bureau of Municipal Research, in 1914–15, is the organization director and secretary. Col. Jerome F. Sears, formerly assistant to Gen. Herbert M. Lord, has also been active in the Bureau's formation.

The following board of research consultants has been named: August Vollmer, chief of police, Berkeley, police organization and administration; G. Gordon Whitnall, city planning and zoning; Edwin A. Cottrell of Stanford University, charters and municipal legislation; and Arlin E. Stockberger, city manager of Alhambra, municipal administration.

Because several large bond issues have been proposed for new improvements, the Bureau will give first attention to a study of the assessed valuation of property in its relation to bonding capacity.

⚜

The Ohio Institute.—Three new laws enacted by the general assembly and approved by the governor, if fully utilized by the state administration, will enable the state of Ohio to change the policy which has prevailed in recent years, in dealing with prisoners.

A board of parole of four members, is established and certain limitations on their action hitherto imposed by courts are removed. Between the maximum and minimum terms of sentence fixed by law for the various offenses in the penal code, the board of parole will be free to follow its best judgment in determining when prisoners shall be released on parole or finally discharged. In addition, by good behavior during imprisonment, prisoners may make themselves eligible for parole at an earlier date than the standard minimum. Prisoners may be transferred from one penal institution to another to bring about a suitable classification.

All of these laws were drafted by the Ohio Institute at the request of their sponsors. They will take effect about August 1.

NOTES AND EVENTS

EDITED BY H. W. DODDS

First Installation in Brunswick, Georgia, Made by the Committee on Uniform Street Sanitation Records.—The first complete installation of the records and cost accounting proposals of the Committee on Uniform Street Sanitation Records has just been made in Brunswick, Georgia. During three weeks of residence in Brunswick, the staff, consisting of Donald C. Stone and G. A. Moe, not only installed the standard work units proposed by the committee, but also set up unit cost standards for each activity and prepared a work program for the current year.

The system installed in Brunswick employed the work units which the Committee on Uniform Street Sanitation Records has established for standard use throughout the country. The work units tested in this installation are:

(1) Street cleaning—the "cleaning mile," that is a mile of street cleaned once by beat patrol and machine sweeping which are the only methods employed. The same unit is also applicable to broom gang, machine flushing, and hose cleaning.
(2) Street sweepings removal—(a) "cubic yards of sweepings removed," and (b) "cubic yards removed per cleaning mile."
(3) Catch basin cleaning—(a) "cubic yards of cleanings removed," and (b) "number of catch basins cleaned."
(4) Garbage and trash removal—"cubic yards removed." Tons removed is a supplementary unit when weights can be made of each load.
(5) Night soil removal—"cubic yards removed."
(6) Dead animals removed—"number of animals" of the following classification: dogs, cats, chickens, goats, hogs, and cattle.
(7) Refuse disposal—"cubic yards" and "tons" as in removal.

A work program for the entire year was prepared for each of the above activities. This work program shows the total work for each operation to be done during the year expressed in terms of work units, unit cost standards, and total cost.

The unit cost standards represent the minimum unit cost at which Brunswick may be expected to perform its work. Thus, they may serve the officials of Brunswick as a standard throughout the entire year to guide them in evaluating actual performance.

During the course of the year, a monthly work and cost statement will indicate whether the work program is being complied with and the extent to which actual unit costs conform to the unit cost standards.

To improve the method of handling citizens' complaints and requests for special services, a new complaint record was installed. This record provides the name and address of the complainant and spaces for checking the type of complaint or the type of special service. The form is printed in duplicate; the first copy being given to the investigator will state in detail in the space provided who was at fault and the action taken. At the end of the month, these complaint reports will be compiled and entered on the Analysis of Complaints and Special Requests for Service.

The next complete installations will be made in Kenosha, Wisconsin, and Troy, New York. The staff expects to complete these by the end of May. The installation cities in the population classes of 150,000 and 500,000 will be selected later. Any inquiries concerning this work should be directed to the Committee located at 923 East 60th Street, Chicago, Illinois.

*

Attack on Ohio Administrative Code Repulsed.—The Ohio administrative code has ridden out another legislative session without material change. Scarcely a session has passed since its adoption without an effort to set aside its provisions as to one department or another. This year legislation was proposed substituting the board plan of organization for the single departmental director in the case of four of the nine executive departments—education, health, industrial relations, and welfare. While there was considerable sentiment in favor of the changes, there was comparatively little organized pressure behind the measures. None became law and only one passed in either house. Two

died quietly in committee and one was reported but never acted upon.

Though ten years have passed since the enactment of the administrative code, it has never been entirely accepted by many of those interested in the state government. For several years the Ohio Public Health Association has been fighting to transfer the appointment of the director of health from the governor to the public health council. The Ohio Education Association has committed itself to the creation of a state board of education. The Manufacturers' Association has urged that the industrial commission be placed in control of the department of industrial relations; and the governor's committee on institutions, a citizens' committee appointed by Governor Cooper last year to study institution problems, recommended the establishment of a bipartisan board to head the welfare department.

The Ohio administrative code came in under unfortunate circumstances. It was put through by a newly-elected Republican administration at a time when the principal executive departments were under the control of boards dominated by Democrats. As a result, the code was viewed by many as partisan ripper legislation. Dissatisfaction with some of the early appointments to directorships also reacted unfavorably upon the new plan of organization. In fact, it is rather significant that sentiment as to the administrative code ebbs and flows considerably with the calibre of department heads appointed. When a change of administration displaces competent executives, a demand for the protection of a long-term board arises. When it raises the level of administrative ability, interest in reorganization subsides.

This year's interest in reorganization was chiefly due to the change of administrative personnel resulting from a change of party. Governor Cooper had surrounded himself with an unusually capable group of department heads, who were equipped, after two years of experience, to render valuable service to the state. In some instances constructive programs of considerable importance had been begun. Then came a change of administration and a new body of officials. Naturally this focused attention on the need for greater stability of tenure. Two years is admittedly not long enough to enable even an able executive to acquaint himself with the problems of his department and carry out a program of real consequence.

While some turned to the long-term board as the solution of the problem, others considered a four-year term for governor a more satisfactory plan. A constitutional amendment providing a four-year term for elective state administrative officers was introduced and passed the senate with only a single dissenting vote. In the house it was beaten by a party vote. Curiously enough the Democrats voted against the amendment, in spite of the fact that it placed the election of state officers in the interval between presidential elections. As Ohio generally goes Republican in presidential elections, it would seem that Democratic strategy was decidedly short-sighted in attacking the four-year term proposal.

R. C. Atkinson.

*

Mechanical Devices Simplifying Detroit's Clerical Problems.—An application of modern mechanical office devices has been completed in Detroit and installed in the city assessor's office. A smaller installation has been adapted for use in the city treasurer's office. The installations are designed to perform mechanically a great deal of the special bookkeeping and stenographic work necessary in these offices. Heretofore large forces of workers have had to be employed to do this work in connection with the preparation of the assessment rolls each year. The mechanical systems devised are expected to effect a material savings in wages to the city.

The successful attempt to apply modern mechanical methods to the work was made by Kenneth J. McCarren, member of the Detroit board of assessors. He made a careful study of all mechanical systems available on the market and found none of them suited for the exact type of work required here. After consultation with a number of manufacturers, however, a system was produced embodying many suggestions and recommendations made by him. Mr. McCarren was peculiarly fitted for the work because of his past experience as an engineer. He was an engineer connected with the assessor's office here before being appointed a member of the board.

With a complete mechanical installation for the printing and control of records, the board of assessors, to date, have reduced their annual budget $45,000 and, in addition, will this year save over the task of printing from two to two and one-half million tax bills for the city and county treasurers, which in turn will reflect economies in their departments.

Opposed to the former methods, the complete

city tax record is now embossed upon metal plates, from which twenty-two tax documents are printed automatically annually, and the possibility of errors eliminated. The realty record plates are in three parts assembled into a frame forming a unit record of every parcel of property in the city. Thus, the plate containing the owner's name and address can be removed and corrected without disturbing the plate containing the property description and dimensions, which is a permanent record.

One of the outstanding features of this mechanism is its flexibility that adapts it to tax work, and makes possible the printing of so many records. Through the operation of a shuttle attachment, the machines can be controlled to print the name and address opposite the property description, which appears on the same plate, and thus render a balanced record.

Also through a selector device, controlled by permanent and shifting metal tabs attached to each frame, any classification or group of classifications can be printed or passed through machines as desired, and is invaluable in selecting unpaid accounts, delinquent returns, etc.

For quick reference and the handling of payments, there is automatically printed on each record an item number, and will result in the office staff handling their accounts by reference to simple numbers rather than lengthy property descriptions.

In addition to the accuracy and efficiency produced by mechanical procedure, the saving is apparent by a comparison of the results with the former manual methods per person. In printing assessment and tax bonds by the manual method 42 pages per day was possible as against the mechanical method of 525 pages per day. In writing tax bills by manual method, 300 per day was the rate as against the mechanical method of 25,200 per day. In personal tax notices and returns, manual method, 400 per day; mechanical method, 4,200 per day.

*

Election Irregularities in Utica, New York.—The committee of the New York State senate which was appointed to investigate the election of Samuel H. Miller of Utica, New York, as the senator from the thirty-sixth district, by a strict party vote, recommended that Miller be unseated. The Senate approved the recommendation and the governor called for a new election on May 5, 1931. At this election, Miller received 900 votes less than his Republican opponent, who was elected.

The unseating came as a result of a charge of fraud in the primary elections. Miller who was the Democratic candidate was also nominated by the Socialist party. It was charged that numbers of Democrats had falsely subscribed to the principles of the Socialist Party and had caused the nomination of Mr. Miller. In the subsequent election, the combined vote of the Democrats and the Socialists was sufficient to overcome that of the Republican candidate. It was also charged that election officials had been careless in the conduct of the primary.

Regardless of whether the primary nomination of Mr. Miller was fradulently obtained, the investigation calls attention to the election situation in the city of Utica. Since 1915, there have appeared at various times evidences of carelessness in the conduct of elections.

In 1915, there was a mayoralty campaign in the city. A few hours after the polls had been closed, the election of the Republican candidate by 34 votes was generally conceded. Upon examination it was found that the machine used in the second district of the second ward registered a total of 447 votes cast, whereas the total vote for mayor on the machine was 470. After months of legal argument and court action, the machine in question was opened and the results tallied. It was then found that an election inspector on the night of the election had read the vote for the Republican candidate as 182 when it really was only 137. This resulted in the election of the Democratic candidate by 14 votes.

In the election of 1922, the inspectors in 19 of the 61 districts read the voting machines incorrectly, with the result that the whole 19 machines had to be reopened. The results as compiled on the night of the election showed the election of two Republicans and two Democrats as members of the school board. When the board of canvassers came to tally the vote, the figures did not check and the machines were reopened. One hundred and forty-three mistakes were found on the 19 machines. The recorded vote differed from that on the machine in the 143 cases by from 1 to 132 votes. In the second district of the seventeenth ward, the recorded vote showed no votes for any of the Democratic candidates for the school board, whereas the machines showed that they had received 104, 87, 85, and 83 votes respectively. As a result of the investigation, the Democrats

gained two additional members of the school board.

In 1929, carelessness again manifested itself. The machines had been inspected in a lax manner and the results were often tallied on soiled return blanks, with the result that no one could ascertain with certainty who was elected. The machines were reopened and although no mistakes were found, there was a great deal of confusion and political bickering.

These three cases indicate the necessity for more care in the choice of election officials and for changes in the election law to assure greater honesty and accuracy in the tallying of votes.

JOHN J. WALSH.

*

North Carolina Moves Toward Greater Centralization.— The trend towards greater centralization and efficiency in government was emphasized by two recent acts of the North Carolina General Assembly relating to purchases and to personnel.

A central purchasing agency is set up at the capital in Raleigh, with a director in charge appointed by the governor, and is given supervision and control over the purchase of supplies for all state institutions and departments. Governor Gardner estimates that this will save the state the sum of $400,000 annually.

A personnel commission, with a director appointed by the governor, is set up in another act. The commission is to set requirements that all state employees must meet before being employed and to certify as to the eligibility of applicants for state jobs. The actual employment is made by the various departmental heads. Classification of personnel employed by the state is to be made by the commission, and a salary scale fixed.

Both of these measures were urged in a report of the Brookings Institution, which last fall, at the request of Governor Gardner, made a survey of state and county government in North Carolina.

The oldest state university in the United States (from the standpoint of actual operation), the University of North Carolina at Chapel Hill, is greatly enlarged by a recent enactment of the general assembly of North Carolina.

By terms of the act the State College of Agriculture and Engineering at Raleigh and the North Carolina College for Women at Greensboro are to be merged July 1, 1932, with the University at Chapel Hill, making an institution with more than 7,000 students in the regular session, and with physical plants valued at approximately $20,000,000.

A board of 100 trustees for the greater University has been elected by the general assembly, to take office July 1, 1932. Meantime a commission of twelve persons, educational experts, of which the governor selects six and the president of each institution two, is to work out the details of the consolidation. Prevention of duplication and greater effectiveness for state-supported higher education is promised in this merger.

W. D. HARRIS.

*

A Modified City-County Consolidation for Asheville and Buncombe County has been provided by the general assembly of North Carolina by an act effective April 1.

A joint board of financial control is provided, consisting of five members, named in the act, and serving overlapping terms of one, two and three years. C. Fred Brown is chairman. The board has budgetary control of all expenditures for the city of Asheville, county of Buncombe, Woodfin sanitary, water and sewer districts, and the city and county schools. It has supervision of tax listings, of tax collections and of the liquidation of securities deposited as collateral for public deposits in several banks which failed last November.

Buncombe County has a population of 97,000, of which 50,000 are in the city of Asheville. The tax valuation for the entire county is $165,000,000, of which two-thirds is in the city.

An even closer consolidation was urged by Colonel C. O. Sherrill, former city manager of Cincinnati, and a native of western North Carolina, who was invited to address a public meeting in Asheville last December and discuss a solution for the financial difficulties of the city and county. These difficulties were greatly increased by the failure of large banking institutions carrying heavy public deposits, which were inadequately protected. Since then special local acts exempting Buncombe County from the rigid provisions of the North Carolina statutes relating to public deposits have been repealed.

W. D. HARRIS.

*

Metropolitan Boston Bill before Legislature.— The Metropolitan Boston Bill, presented to the Massachusetts legislature in January by Professor Joseph H. Beale of Harvard University Law School, was incorporated in the report of the

Metropolitan Boston Conference appointed by Mayor Curley, of which Conference Professor Beale was chairman.

The bill was designed to restore to the control and responsibility of the forty-three separate municipal entities now constituting the metropolitan district, a number of municipal functions which by successive legislative enactments have passed partly or wholly out of their jurisdiction.

Boston, with an area of only about 50 square miles, has had little room for increase in population but the contiguous and surrounding suburbs have grown rapidly. Nearly forty years ago the metropolitan device was adopted by which the state could finance, plan, construct and maintain park, water supply and sewage disposal systems for the whole community. Many other functions have been added from time to time. The government of this metropolitan district was vested in the metropolitan district commission, appointed by the governor, and responsible only to him and the legislature. Money advanced by the state has been and is being repaid by the various cities and towns.

The Metropolitan Boston Bill transferred all the powers and authority, all the responsibility and officials of the metropolitan district commission to a federated city of Metropolitan Boston, consisting of a Metropolitan Boston council, a mayor and a Metropolitan Boston commission. The council consisted of members elected from each city or town in proportion to population. The commission took over the functions of the metropolitan district commission. It was provided that upon the expiration of the term of each commissioner, his place should be filled by election by the next Metropolitan Boston council.

By this plan it was hoped to restore to the densely populated community, known as Metropolitan Boston, not only control but the educative responsibility of purely municipal functions for which their communities were paying but over which they had no control as to expenditure, construction or development. It was expected also that this new government would find a great many ways in which it could advance the interests of the community as a whole and which it is now impossible intelligently to consider owing to the necessity for action by forty-three separate municipal governing bodies.

No action was taken at this session of the legislature but the bill was referred to the next session.

March G. Bennett.

Novel Argument for Division of St. Louis County (Minn.) Fails in Legislature.—Contrary to present day tendencies, the people of one county in the United States recently witnessed a forceful attempt to divide, rather than to increase the county's area. St. Louis County in Northern Minnesota in which a substantial portion of the iron ore deposits in this country are located, and of which the city of Duluth is the county seat, was the subject of this *contra-tempts* movement. Fortunately the legislature voted down the enabling legislation, but it was not until the roll was finally called in the senate that death to the proposal was assured.

The principles involved in this legislation are of interest. St. Louis County is one of the largest in the country, having an area of something over six thousand square miles. About half the people live in the city of Duluth, about 40 per cent live in the cities and villages in the mining areas some sixty to eighty miles north of Duluth, and the remaining 10 per cent are scattered throughout the county. Duluth and the adjacent territory have four representatives on a county board of seven members. The mineral properties which are in the northern part of the county pay about 70 per cent of all county taxes. Duluth pays about 25 per cent, and the remaining 5 per cent is non-mineral property scattered throughout the remaining areas.

The argument made to the legislature was that, because the mining areas paid such a large percentage of county taxes, a representation of only three on the county board from that area was unjust. It is not unusual for minorities to cling tenaciously to any advantage they may hold in the membership of a legislative body, but to advocate openly for representation on the basis of wealth is a somewhat unusual circumstance.

Another peculiarity of this measure was that it provided a system of secession upon a majority vote of that portion of the county proposing to secede. The remainder of the county was to have no voice whatever in the election. There was, of course, some question of the constitutionality of such a scheme, but as counties are largely creatures of the state, it is quite uncertain what the courts would have done with the problem, under the Minnesota constitution.

The people of Duluth and the mining companies, who own probably 95 per cent of the taxable property in the proposed new county, opposed the bill. Advocates for the measure

held out that it would reduce the mining companies' taxes, but the experience in the mining communities has been that maximum levies are invariably imposed. Because of this the mining companies feared the measure.

Defeat of the measure came about largely because of the inability of the proponents to show cause why an existing order should be upset, and particularly because it was proven beyond argument that the establishment of two counties, where one now exists, would increase the cost to taxpayers.

ROBERT M. GOODRICH.

✻

Missouri Provides for Highway Patrol.—After a long and somewhat bitter fight the general assembly of Missouri has passed a bill establishing a state highway patrol, which has been signed by the governor.

This law provides for a force of 126 men, consisting of a superintendent, 10 captains and 115 patrolmen. The superintendent will be appointed by the governor, with the approval of the senate, for an indefinite term. The superintendent will appoint the captains and patrolmen and will have control of the entire staff, subject to the general supervision of the state highway commission. (This commission is also appointed by the Governor.) The law specifically provides that not more than half of the force can be affiliated with the same political party. The cost of the patrol, which is estimated at $400,000 per year, will be paid out of the state road funds.

The bill was sponsored by the Automobile Club of Missouri. It also had the active support of the attorney general, the state highway department, and various civic organizations. It was opposed by the County Sheriff's Association and by the "wets." The former were afraid that the state patrol would reduce the power and prestige of the sheriff. They wanted the patrolmen placed under the control of the sheriff's office, and succeeded at one time in getting their plan adopted in a modified form by the house.

The wets argued that patrolmen would probably be used as "snoopers" for prohibition enforcement. They were responsible for an amendment to the bill which deprives the patrolmen of the right of search and seizure, except to confiscate deadly weapons from persons arrested.

Organized labor, which has opposed a state police system on the ground that it might be used in breaking strikes, apparently did not actively oppose this "patrol" bill. A few legislators opposed the use of the state road funds for this purpose, contending that it would delay the completion of the state and farm-to-market road programs.

It is the understanding that the Missouri force is to be a highway patrol and nothing more. Its authority is limited to traffic violations and the enforcement of the state motor code. It is not an auxiliary prohibition agency. It has no authority to interfere in labor disturbances. It is supposed to be strictly non-political in nature.

University of Missouri

WM. L. BRADSHAW.

✻

Pennsylvania Conference of Teachers of Political Science.—The teachers of political science in Pennsylvania educational institutions have effected an informal organization which held its first meeting in Harrisburg on April 2 and 3. Professor W. Brooke Graves was chairman. The program paid attention to special subjects concerning the state of Pennsylvania such as financial problems for the next biennium, election reform, and public utilities. Added features were calls upon the secretary of the senate, the attorney-general and the director of the Legislative Reference Bureau, each of whom explained the various stages of the legislative process of the state. It is planned to continue with the present organization and to hold another meeting next year at which constructive conclusions as to state policies can be formulated.